AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2015

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

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PART 5

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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2015

FRIDAY, MARCH 14, 2014.

DEPARTMENT OF AGRICULTURE

WITNESSES

HON. THOMAS VILSACK, SECRETARY, DEPARTMENT OF AGRICULTURE
DR. JOSEPH GLAUBER, CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE
MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

INTRODUCTION OF WITNESSES

Mr. ADERHOLT. Good morning, everyone. The Subcommittee will come to order.

Before we begin today, I would like to express to you, Mr. Secretary, and to the U.S. Forest Service our condolence on the loss of an officer who lost his life this week. Jason Crisp was killed in the line of duty on this past Wednesday, along with his canine partner. We do appreciate the men and women who serve in law enforcement at the local, State, and the Federal level, and as they put their lives on the line in the line of duty on a daily basis.

So, Mr. Secretary, we realize any time you lose one of your finest, we certainly have sympathy, and certainly along with the Forest Service and of course the Crisp family. So I did want to mention that this morning before we got started.

Of course this morning we are pleased to welcome the Secretary of Agriculture, Tom Vilsack, also along with the chief economist, Joseph Glauber, and also the USDA's budget director, Mike Young. So thank you all three for being here this morning.

OPENING STATEMENT—MR. ADERHOLT

We start our review of the Department of Agriculture's fiscal year 2015 budget request. Basically, we have three goals for this Subcommittee for fiscal year 2015. The first goal is a robust oversight. As stewards of the taxpayers' dollar, we are all responsible for ensuring these funds are wisely invested and properly used. Through oversight, we can detect and eliminate fraud, waste, and abuse.

Sometimes we are criticized for focusing on fraud in the Supplemental Nutrition Assistance Program, known as SNAP. However, this is USDA's largest program. According to a December 13 New

York Times article, it has an overall loss percentage of 4.07 percent per year, which is about $3 billion, when fraud and erroneous payments are combined. In addition, SNAP fraud undermines support for this program and other Federal nutrition programs.

I would like to be clear that I support oversight and elimination of fraud in each and every USDA program, including the farm programs and the crop insurance, and those programs should not be neglected to be looked at in any way, as I mentioned.

Oversight is also about promoting strong program management. For example, USDA has had trouble for years securing its IT systems. Inspector General Fong testified last week that USDA continues to have significant problems with this. And of course, as you can imagine, I think it is disappointing to all of us to hear that. She also suggested that USDA's agencies should rebalance their work and focus on managing their programs instead of just delivering benefits.

The second goal is to ensure the appropriate level of regulation to protect producers and the public. This is about USDA, how they implement laws, including the new Farm Bill and the 2010 Healthy, Hunger-Free Kids Act. At times, it appears that USDA appears to pick and to choose when it will be flexible to suit its own agenda. Unfortunately, we have seen the Administration go beyond Congressional intent at times. We are closely following the implementation of these laws, and I will explore some of these in more detail as we go through the questions.

My third goal is to ensure the funding is targeted to vital programs. There are two sides of this. One is about the decisions that the Subcommittee will make to allocate funding in our bill. The other is about the Administration's priorities.

As you know, we cannot fund and do everything. We must focus on programs that are most effective and broadly supported and those that address imminent threats. For example, WIC is an effective and broadly supported program. We will scrutinize the fiscal year 2015 request to ensure sufficient funding is provided to meet current caseloads. However, we cannot provide excessive funding that will then unnecessarily limit funding for other programs that are of high priority.

Regarding rural housing programs, frankly, I don't understand why USDA proposes to dramatically reduce funding for them. These programs have broad support across Congress, as they help low-income and often elderly Americans to have decent homes. And I hope we can discuss this in a little more detail as we go through the questions.

Turning to USDA's budget request, at first glance it would appear to be modest and straightforward. It is $228 million below the fiscal year 2014 enacted level. However, there are several new programs and significant increases in funding for others. Some of these increases are offset by questionable decreases, such as the closing of 250 Farm Service Agency offices and the reduction of 815 staff years without any real background on how you arrive at the savings. There are major increases, including three new innovation institutes, costing $75 million, and hundreds of new staff for the rural development mission area.

In addition, the budget proposes major changes to the crop insurance program, with the goal of saving $14.3 billion over 10 years. This is clearly an authorizing issue, and the 2014 Farm Bill just spoke to it. While many believe that this program could be improved, it is not realistic to pay for increases based on proposals that, at a minimum, have to be addressed by the authorizing committee.

In closing, I must mention the President's separate and additional $56 billion request, the Opportunity, Growth and Security Initiative. While it would provide $277 million for USDA, it cannot even be considered, as it is above the agreed-upon discretionary cap for fiscal year 2015. Chairman Rogers, who is here with us this morning, has definitely stated that the House will write its appropriation bills to the established cap of just over $1 trillion. Senate Appropriations Chairman Mikulski has said the same thing.

The additional request also is irresponsible given our debt, our deficit, and our overall economic situation. While the Federal budget deficit has fallen sharply during the past few years, the Congressional Budget Office estimates that under current law the deficit this year will be $514 billion. So even after all the tough battles to reform spending, deficit spending this year will still exceed spending on all nondefense discretionary dollars by $22 billion. The CBO further projects that under current policies, public debt will reach $21 trillion, and that is 79 percent of our gross domestic product, by 2024. I think if you look at those numbers, they are very staggering.

Before I recognize you, Mr. Secretary, for your opening statement, I would ask the Ranking Member of the Subcommittee, the distinguished gentleman from California, Mr. Farr, for any opening remarks that he may have.

Mr. Farr.

[The information follows:]

For Release

Chairman Robert Aderholt
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
House Committee on Appropriations
Secretary of Agriculture Tom Vilsack
USDA's FY 2015 Budget Request
March 14, 2014
Opening Statement As Prepared

Good morning. I am pleased to welcome the Secretary of Agriculture, the Honorable Tom Vilsack; the Chief Economist, Dr. Joe Glauber; and USDA's Budget Director, Mr. Mike Young, to the Subcommittee. Today, we start our review of the Department of Agriculture's fiscal year 2015 budget request.

I have three goals for this Subcommittee for fiscal year 2015. The first goal is robust oversight. As stewards of the taxpayer's dollar, we are all responsible for ensuring these funds are wisely invested and properly used. Through oversight, we can detect and eliminate fraud, waste and abuse.

Sometimes we are criticized for focusing on fraud in the Supplemental Nutrition Assistance Program. However, this is USDA's largest program. According to a December 2013 New York Times article, it has an overall loss percentage of 4.07 percent per year, which is about $3 billion, when fraud and erroneous payments are combined. In addition, SNAP fraud undermines support for this and other federal nutrition programs.

Let me be clear though, I support oversight and the elimination of fraud in each and every USDA program, including farm programs and crop insurance.

Oversight also is about promoting strong program management. For example, USDA has had trouble for years securing its IT systems. Inspector General Fong testified last week that USDA continues to have significant problems with this. This is disappointing. She also suggested that USDA's agencies should rebalance their work and focus on managing their programs instead of just delivering benefits.

My second goal is to ensure the appropriate level of regulation to protect producers and the public. This is about how USDA implements laws, including the new farm bill and the 2010 Healthy, Hunger-Free Kids Act. At times, USDA appears to pick and choose when it will be flexible to suit its agenda. Unfortunately, we have seen the administration go beyond congressional intent at times. I am closely following the implementation of these laws and will explore specific issues in my questions.

My third goal is to ensure funding is targeted to vital programs. There are two sides to this: one is about the decisions the Subcommittee will make to allocate funding in our bill; the other is about the Administration's priorities.

As you know, we cannot fund and do everything. So we must focus on programs that are most effective and broadly supported and those that address imminent threats.

For example, WIC is effective and broadly supported. We will scrutinize the fiscal year 2015 request to ensure sufficient funding is provided to meet current caseloads. However, we cannot provide excessive funding that will then unnecessarily limit funding for other high priority programs.

Regarding rural housing programs, frankly, I do not understand why USDA proposes to dramatically reduce funding for them. These programs have broad support in Congress as they help low-income and often elderly Americans to have decent homes. I hope we can discuss this in detail during our questions.

Turning to USDA's budget request, at first glance, it would appear to be modest and straightforward. It is $228 million below the fiscal year 2014 enacted level. However, there are several new programs and significant increases in funding for others. Some of these increases are offset by questionable decreases, such as closing 250 Farm Service Agency offices or the reduction of 815 staff years without any real background on how you arrive at this savings. There are major increases, including three new innovation institutes costing $75 million and hundreds of new staff for the Rural Development mission area.

In addition, the budget proposes major changes to the crop insurance program with the goal of saving $14.3 billion over ten years. This is clearly an authorizing issue, and the 2014 farm bill just spoke on it. While many believe that this program could be improved, it is not realistic to pay for increases based on proposals that at a minimum have to be addressed by the authorizing committee.

In closing, I must mention the President's separate and additional $56 billion request – the Opportunity, Growth and Security Initiative. While it would provide $277.2 million for USDA, it cannot even be considered as it is above the agreed-upon discretionary spending cap for fiscal year 2015. Chairman Rogers has definitively stated that the House will write its appropriations bills to the established cap of $1.014 trillion.

The additional request also is irresponsible given our debt, deficit and economic situation. While the federal budget deficit has fallen sharply during the past few years, the Congressional Budget Office estimates that under current law, the deficit this year will be $514 billion. So even after all of the tough battles to reform spending, deficit spending this year will still exceed spending on all non-defense discretionary dollars by $22 billion. CBO also projects that under current policies, public debt will reach $21 trillion, which is 79 percent of our gross domestic product, by 2024. This is staggering.

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OPENING STATEMENT—MR. FARR

Mr. FARR. Thank you very much, Mr. Chairman.

And indeed it is always a great beginning of the year to have you, Mr. Secretary, here. Your Department has awesome jurisdictional responsibilities for all the food in America, for all the development of rural America, and essentially for all our agricultural interests around the world. And I think, frankly, with your background as a Mayor and a Governor that you really know how to handle your job well. I think you do a very good job.

I would be interested in a comment or two. Last year we were able in this tightening to give flexibility to the Department of Defense in how they spent sequestration funds. Essentially, rather than just us putting it all in a category and across-the-board cuts and things like that, we gave them the flexibility to make those determinations. And I am wondering if there is any unobligated balances that you might have some ideas about giving you some flexibility to use those in a limited budget, as the Chairman indicated.

So I have lots of questions. It is a very exciting Department. And essentially, I think a lot of us are here because it is also the biggest Department in the United States Government that handles poverty in America and overseas. And I really appreciate your responsibility in that area.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Mr. Farr.

Also we have the Full Committee Chairman, Mr. Rogers from Kentucky, that has joined us this morning. I would like to recognize him for any remarks that he might like to make.

OPENING STATEMENT—MR. ROGERS

Mr. ROGERS. Well, thank you, Mr. Chairman, and thank you for getting us to a great start on the Subcommittee. This is the earliest that we have started off these hearings in my memory or recollection, and we are doing it because we inherited a top number that both the House and Senate can appropriate to. We are not dependent upon waiting on the Budget Committee to come forward with a budget resolution that can be agreed to by the other body.

So consequently, we are way ahead of ourselves, and we are going to try to keep going that way, Mr. Secretary, so that we can get this Committee back to regular order like we used to do things, doing 12 individual bills, conferenced separately with the Senate.

Let me start off by thanking you, Mr. Secretary, for coming to my district recently to help announce, as you did, the StrikeForce program of the Department to try to help rural communities combat the difficulties that they are in economically. And the StrikeForce that you announced we are incorporating in Kentucky, at least, with a program that the governor and I just announced called SOAR, Shaping Our Appalachian Region, a region hit by devastating coal job losses. And the SOAR program will attempt to find new ways to make a living, to provide jobs in a formerly coal-dominated part of the country. So I thank you for that.

Ranking Member Lowey and I have committed to moving all of the 12 bills through Subcommittee, Full Committee, and the floor. And we plan to move that process along at a very brisk pace. As

you can tell, I think you are the fifth Secretary that we have had on the Hill this week before our Committee. We plan to move this process along briskly. Unquestionably, this return to regular order is critical to crafting bills that wisely spend taxpayer dollars.

The fiscal 2014 Omnibus package that we passed in January funding the balance of this fiscal year, a prime example of what we can accomplish together. This Committee was able to provide every facet of the Federal Government with adequate, responsible funding, while continuing to reduce Federal spending, totaling $165 billion in cuts since fiscal year 2010. We have had to work hard to bring about these discretionary reductions. It has taken a lot of late nights and compromises, but we have gotten it done.

Now we have got to tackle mandatory spending. That is the big problem. When I first came here, mandatory spending was a third of Federal spending. Now it is two-thirds and growing and it is squeezing out everything else. We have had to reduce defense spending, we have had to reduce spending for everything you can imagine in the discretionary side because of the crowding out that the mandatory spending has caused us to have to deal with.

So mandatory spending, two-thirds of Federal spending, is the problem. I see no leadership from this Administration to try to tackle this major issue. And while mandatory spending comprises about 86 percent of your Department's request, only 14 percent is what we actually sit down and decide how to be spent. The rest is on automatic pilot. And that is no way for a government to be operated, and you experienced that as governor.

Your budget proposes to lower both mandatory and discretionary spending within the Department. However, we have heard this before. And over the last few years, we have seen your artificially low estimates on mandatory spending blow up by the middle of the year.

So it is time to get serious about the mandatory spending crowd-out that is taking place and have an honest discussion about how to deal with it. We can't hide behind phony estimates any more. Once again, in this year's budget the request proposes a significant cut to the Section 502 Direct Loan and the Mutual Self-help Housing Programs. We have seen this kind of smokescreen again from this Administration, where funding is cut for useful programs in order to make room for new spending and create the illusion of budget savings.

The concern I have is that this shows a disrespect for our rural communities and the constituents who made these programs successful. In my district, a group called Kentucky Highlands, who you are familiar with, through its self-help housing program, has completed 20 homes, currently has six more under construction using Section 523 self-help technical assistance and Section 502 direct loans.

For example, one woman in my district just finished a three-bedroom home for $98,000. If she had used a contractor, that same home would have cost $145,000. The rental home where she and her young daughter previously lived was so poorly insulated that she kept the thermostat at 52 degrees in the winter just so the electric bill would stay below $500 a month. Her electric bills now are expected to average around $100 a month in her home.

Another single mother in my district used these programs to build a four-bedroom home for herself and her four children, $102,000. A contractor would have charged her $148,000. And it would not have been possible without the Section 502 Direct Loan Program and the sweat equity earned through Section 523.

It seems to me that this is the sort of thing we should be encouraging. And there are a lot more hard-working people like these women who are more than happy to put in the time and effort to gain their own home. So I hope that we can begin to support this program with a little more emphasis than we have seen in the budgets so far.

So, Mr. Secretary, we look forward to hearing your testimony. We welcome you to the Hill. We thank you for visiting in Kentucky as you did. And we look forward to working with you.

I yield.

Mr. ADERHOLT. Thank you, Chairman Rogers.

[The information follows:]

Chairman Hal Rogers
House Committee on Appropriations
Fiscal Year 2015 Budget Hearing: Department of Agriculture
Secretary Tom Vilsack
March 14, 2014
Opening Statement As Prepared

Mr. Chairman, thank you for yielding. Secretary Vilsack, I appreciate you being with us today to discuss the Fiscal Year 2015 budget request for the Department of Agriculture. Because Ranking Member Lowey and I have committed to move all twelve appropriations bills through subcommittee, full committee, and the floor, we plan to move our process along at a brisk pace this year. Unquestionably, this return to regular order is critical to crafting bills that wisely expend taxpayer dollars. The FY14 omnibus package is a prime example of what we can accomplish together: this committee was able to provide every facet of the federal government with adequate, responsible funding, while continuing to reduce federal spending – totaling $165 billion in cuts since fiscal year 2010.

We have had to work hard to bring about these discretionary reductions. It has taken a lot of late nights and compromise, but we have gotten it done. Now we need to tackle our mandatory spending problem. Today, mandatory spending accounts for two-thirds of the federal budget, which is a stark contrast to how it was when I first arrived here and mandatory spending was only one-third of the budget. This runaway spending threatens to squeeze out all of the worthwhile programs that many of our constituents care for – from education to medical research, to housing assistance and farm loans. Yet, I see no leadership from this Administration to tackle this issue in the budget and mandatory spending comprises 86% of your department's request. While UDSA's budget proposes to lower both mandatory and discretionary spending within the department, we have heard this before. And over the last few years we have seen your artificially low estimates on mandatory spending blown up by the middle of the year. It's time to get serious about this mandatory spending problem and have an honest discussion about it. You cannot hide behind phony estimates.

Once again in this year's budget, the request proposes a significant cut to the Section 502 Direct Loan and the Mutual and Self Help Housing programs. We have seen this kind of smoke screen time and again from this administration: where funding is cut for useful programs in order to make room for new spending and create the illusion of budget savings. The concern I have is that this shows a disrespect for our rural communities and the constituents who have made these programs successful. In my district, Kentucky Highlands—through its Self-Help Housing program—has completed 20 homes and currently has 6 more under construction using Section 523 Self-Help technical assistance and Section 502 Direct Loans. For example, one woman in my district just finished building a 3-bedroom home for $98,000. If she had used a contractor, that same home would have cost $145,000 to build. The rental home where she and her young daughter previously lived was so poorly insulated that she kept the thermostat at 52 degrees in the winter, just so the electric bill would stay at or below $500 a month. Her electric bills are now expected to average around $100 a month in her new home. Another single mother in my district used these programs to build a 4-bedroom home for herself and her 4 children for $102,000. If she had used a contractor, that same home would have cost $148,000 to build and it

would not have been possible without the Section 502 Direct Loan program and the sweat equity earned through the Section 523 program. It seems to me that this is the sort of thing we should be encouraging, and there are a lot more hard-working people like these women who are more than happy to put in the time and effort to gain homeownership. I hope that you can begin to support this program with a little more emphasis than you have been in the budgets we have seen.

Mr. Secretary, I look forward to hearing your testimony and your plans for supporting our nation's farmers and our rural communities through these difficult budgetary times. Thank you, Mr. Chairman, and I yield back.

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Mr. ADERHOLT. Also we have the Full Committee Ranking Member, Ms. Lowey.

And we would like to recognize you for your opening comments.

OPENING STATEMENT—MRS. LOWEY

Mrs. LOWEY. Well, thank you very much, Chairman Aderholt and Ranking Member Farr. It is a pleasure for me to welcome Secretary Vilsack.

You have had a distinguished career, and we are fortunate to have someone of your caliber and experience in this position. Thank you.

Mr. Secretary, your Department plays an important role in nutrition assistance for vulnerable populations, conservation efforts, rural community development, research to combat climate change and improve crop yields. The range and scope of USDA's responsibilities is truly amazing.

I was particularly pleased that your budget request fully funds the expected participation for the WIC program, along with additional funds to successfully implement the new WIC rule. As you know, the new rule notably provides more money for the purchase of fruits and vegetables for children, makes other important improvements as well. With approximately 15,000 nutritionally at-risk women, infants, and children served per month in New York, this program is vital to the health of young mothers and their children, and I applaud the Department for issuing the new rule.

Additionally, while I opposed the $66 million cut to the Food for Peace program, I agree with the proposal to grant the Administration the authority to use up to 25 percent of Title II resources available in cash for emergencies to better respond to multiple high-level crises around the world. This change will allow USAID to administer the program to reach an estimated 2 million more people in chronically food insecure communities like Syria, the Central African Republic, South Sudan, with the same resources.

I look forward to working with my colleagues on the Committee to continue to review the President's budget request to ensure that we adequately fund initiatives to combat hunger, ensure the safety of our food supply, and support sustainable agriculture practices. Thank you.

Mr. ADERHOLT. Thank you, Ms. Lowey.

Just a reminder, if anybody has any electronics, if you could put those on the silent mode during our hearing, that would be helpful. Also, we understand that we may have votes that will be called over the next few minutes. So we will take questions or take your statement as long as we can, and then we will do a temporary adjournment to go vote, and then we will be back for more questions. So everybody is welcome to come back after the votes to proceed.

So, Secretary Vilsack, without objection your entire written testimony will be included in the record. But at this time I would recognize you now for your statement, and then we will proceed on with our questions. Thank you again for being here.

OPENING STATEMENT—SECRETARY VILSACK

Secretary VILSACK. Mr. Chairman, Congressman Farr, and members of the Committee, thank you very much for the opportunity to be here this morning.

Let me start by focusing on the impact of this budget on real people. Forty thousand farmers, 85 percent of which will be beginning farmers or socially disadvantaged farmers, will benefit under this budget. Crop insurance will cover $63 billion in crops. The Animal and Plant Health Inspection Service (APHIS) will protect $165 billion of value in livestock, poultry, and specialty crops as a result of this budget.

The Foreign Agricultural Service will continue to support $140 billion in agricultural exports, at or near record levels, which help to support nearly a million jobs here at home. The food and nutrition assistance programs will benefit nearly 47 million Americans under the Supplemental Nutrition Assistance Program (SNAP) program, 8.7 million women, infant, and children under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program, nearly 3 million young people during the summer feeding programs.

The food safety budget will provide assistance and help in protecting our food supply and reducing food-borne illnesses by an estimated 52,000 illnesses. Natural Resources Conservation Service (NRCS) will help provide conservation assistance that will add 23 million acres of land to our conservation programs, which are at record levels, helping nearly a half a million producers do a better job of conserving the soil and protecting the water. While it is not specifically related to this budget, it does have an impact on this budget.

Our overall budget will also support 193 million acres of forest and grasslands under the U.S. Forest Service jurisdiction, which will protect 70,000 communities that are located within the urban-wildland interface and the 45 million homes that are located in those communities. Rural Development will help support, create, and retain 44,000 jobs with the investments we make under our rural business programs; our rural utilities programs will provide additional and improved electric service to 4.6 million people; 2.2 million people will receive better water and sewage facilities; 140,000 households and businesses will benefit from expanded broadband access; and 166,000 people will have the dream of home ownership as a result of this budget.

I think it is important to point out that the budget authority that we are requesting in terms of housing is actually increased. The problem and challenge is that interest rates have driven up the cost of borrowing, which is why it is going to be difficult for us to reach the program levels in the past. This is not a situation where we are cutting. It is a situation where the cost of lending is a little bit increased.

Thirteen million people will benefit from improving community facilities that are located in their communities. These might be police stations and fire stations, they may be hospitals, libraries, or schools that we invest our community facility resources in. And our research funding will help to support nearly 100 research facilities

in the Agricultural Research Service that are currently involved in 800 research projects that over the last 5 years have supported 215 patents and 383 licensing agreements, which lead to jobs and small business growth.

In addition, the NIFA program, the National Institute of Food and Agriculture competitive grant program, is helping to support our land grant universities, our historic black colleges and universities, our Hispanic-serving institutions, and our tribal colleges and universities.

This is about results, and we are focused on results. We are also focused on reforms. This budget proposes a number of reforms, including the ability of modernizing our Farm Service Agency offices so that they can better handle the challenges that farmers and rural Americans face by providing a bridge to those farmers to additional opportunities.

We will also continue to focus our efforts in reform on our Rental Assistance Program so that it continues to support the 285,000 families that benefit from our Rental Assistance Program. We need to rightsize that program, and we need additional tools to be able to do that, given actions taken by Congress in the past that have now created a challenging situation for us to fit rental assistance within existing budgets.

We are also going to continue to look at ways in which we can improve our services through a series of reforms that are outlined in this budget, including the development of a Rural Corps, which will be 150 experts in Rural Development whose focus and job will be to look at the areas of most persistent poverty to assist and to complement and amplify the StrikeForce initiative that Chairman Rogers alluded to.

This budget will also focus on opportunity, the ability to significantly expand local and regional food systems as an alternative for small and mid-size producers for additional new market opportunities for them. We will also take advantage of the new Farm Bill that passed that creates an opportunity for us to expand rural manufacturing. Fourteen percent of all American manufacturing is related to food and agriculture. We want to expand on that with the bio-based product manufacturing opportunities that the Farm Bill presents.

This budget also focuses on innovation. The three innovation institutes, focused on antimicrobial resistance, pollinators, and the bioproduct manufacturing, will assist and help in preserving our agricultural production and expand new uses and opportunities for agricultural products. And we will also focus on an effort to do a better job of addressing the challenges that the poultry industry in particular faces with disease. We have antiquated facilities, which is frankly true of our entire Agricultural Research Service (ARS).

We need a new and creative way to address the challenges of our infrastructure, and one way we can do that is by taking a look at our unobligated balances, as Representative Farr had suggested, allowing us to retain those balances that are within a budget that has been approved by this Committee, and use them to upgrade our facilities. This would also give us an opportunity to better manage and perhaps reduce the 70 million square feet of space that we currently operate, lease, or own.

As I shared with you earlier, yesterday, Mr. Chairman, I think there is an opportunity for us to save significant resources by rightsizing our rental properties within the capital area and by improving our lab facilities in ARS. To do that, we need a revenue resource that is predictable and one that we can budget from. That has been difficult to do.

So that is the ROI of this budget, reform and results, opportunity and innovation. And I would like to point out that this budget, the discretionary spending, is about a half a billion dollars less than it was when I became Secretary. So I think we have and will continue to try to manage this budget in an appropriate way.

Two additional comments specifically relating to comments that you made, Mr. Chairman. We are proud of the work that we are doing on SNAP integrity. You mentioned the combined error and fraud rate of 4.07 percent. That is at record lows.

And it needs to be pointed out that we have aggressively pursued integrity in these programs. Last year, 42,000 individuals were disqualified from the program, 1,200 businesses were disqualified, and over 733,000 investigations and interviews were conducted to ensure the integrity of this program.

We are proposing in this budget additional resources not only to improve our integrity efforts in SNAP, but also to focus on some of the other programs, including the crop insurance program, where the error rate alone is in excess of 5 percent.

So we think we are doing the job in terms of oversight and in terms of integrity. And I would say that we are working very hard on securing our IT systems. Significant improvements have been made. When I became Secretary, we had 17 email systems. We now have a single email system. That is part of the $1.2 billion that we have saved through our administrative services process and Blueprint for Stronger Service.

So I look forward to responding to the questions that the Committee has. These are difficult budget times, but there are significant results that come from this budget, and we are going to work hard to make sure that the people of rural America and all of America are served well by the USDA.

[The information follows:]

Statement by
Thomas J. Vilsack
Secretary of Agriculture
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives
March 14, 2014

Mr. Chairman and distinguished members of this Subcommittee, I appreciate the opportunity to appear before you to discuss the Administration's priorities for the Department of Agriculture (USDA) and provide you an overview of the President's 2015 Budget. I am joined today by Joseph Glauber, USDA's Chief Economist, and Michael Young, USDA's Budget Officer.

Under President Obama's leadership, the U.S. has reached historic levels of investment in rural communities. With this, the agriculture sector has seen strong growth, with farm income and agriculture exports both reaching highs not witnessed in decades. Net farm income and net cash incomes after adjusting for inflation are at near record levels. Since the President took office, agriculture exports have had the strongest five-year period of growth in our Nation's history, and set a new record in calendar year 2013 at $144.1 billion. A strong agriculture sector is key to strong rural communities, supporting 9.2 percent of jobs in the economy.

Although the recent agriculture census reports that we have had a strong agricultural economy, we continue to face some significant challenges. There is a significant rural component to poverty in America. Eighty-five percent of the nation's poorest counties are rural, and per capita income in rural America lags behind that in urban areas. Further, populations in rural areas are dropping as a lack of new jobs is driving young people away. We continue to observe the trend of fewer farmers and aging farmers. In addition, rural communities face more complex challenges today because of climate change, which comes with a hefty price tag.

Drought alone was estimated to cost the U.S. $50 billion from 2011 to 2013. The fire season is significantly longer than it was three decades ago. Such risks have implications not only for agricultural producers, but for all Americans.

We must continue our efforts to build on our success and advance new ideas to address the challenges that rural America continues to confront. The Budget before you today delivers on the President's commitment to provide results, expand opportunity for all Americans, invest in innovation, and make reforms aimed at improving services and fiscal responsibility.

USDA has made a concerted effort to deliver results for the American people, even under the constrained budget mandated by the Budget Control Act. USDA has made substantial, year-over-year gains in expanding credit opportunities for farmers and ranchers. We expanded crop insurance to more than 400 crop types, saved millions of dollars and provided risk management opportunities to specialty crops and organic crops. We have supported small businesses by providing job training, business development opportunities, strategic community planning and other resources. As I mentioned earlier, we helped boost exports to a record level by breaking down trade barriers and promoting US agricultural products.

USDA housing programs have been successful at keeping rural residents in their homes by allowing current borrowers to take advantage of historically low interest rates. Since 2009, USDA has helped more than 804,000 rural families buy, refinance, or repair a home. We did this while gaining efficiencies in the programs and increasing the fees making the guarantee program less costly to the taxpayers.

We are proud of our record to support increased demand for renewable fuels. USDA has invested in the creation of advanced biorefineries across the nation; developed a unique partnership with the U.S. Navy and Department of Energy to procure new biofuels for marine

and aviation use; and boosted markets for nearly 3,000 U.S. companies that are producing biobased products from homegrown materials. USDA has provided financial assistance to farmers, ranchers and rural small businesses to purchase and install renewable energy systems and make energy-efficiency improvements that have created or saved an estimated 9.2 billion kWh of electricity since 2009. USDA also has entered into unique public-private sector partnerships to expand wood energy use, which will help improve the safety and health of our nation's forests and support job creating renewable energy production.

USDA's conservation efforts have helped us mitigate the negative impacts of the drought and are helping producers to manage climate change. USDA has enrolled a record number of acres in conservation programs that have saved millions of tons of soil and improved water quality and have contributed to the national effort to preserve habitat for wildlife and protect the most sensitive ecological areas. USDA has partnered with more than 500,000 farmers, ranchers and landowners on these conservation projects since 2009 – a record number. In addition to protecting cropland and critical habitats, conservation strengthens outdoor recreation, which adds more than $640 billion every year to our economy. Building on these efforts, the Administration entered into a historic agreement with Minnesota to develop programs for farmers designed to increase the voluntary adoption of conservation practices by giving them regulatory certainty that they will not be asked to take additional conservation actions over the life of the agreement. We are working with other States to expand the use of these agreements.

In the face of drought and the increasing threat of wildfires, I recently announced the first ever Regional Hubs for Risk Adaptation and Mitigation to Climate Change. These Climate Hubs will address increasing risks such as fires, invasive pests, devastating floods, and crippling droughts on a regional basis, aiming to translate science and research into information to farmers,

ranchers, and forest landowners on ways to adapt and adjust their resource management. In support of the President's goal to find lasting conservation solutions for some of the most challenging problems, USDA has undertaken a range of innovative new landscape-scale initiatives aimed at restoring land and water. More than 1.6 million acres have been enrolled in landscape scale initiatives in an "all lands" strategy for enhancing water resources.

The Department has also helped a record number of people in need by ensuring that they have access to sufficient food and a healthful diet. The Supplemental Nutrition Assistance Program (SNAP) helps millions of low-income Americans put food on the table, more than half of whom are children, the elderly or people with disabilities. The cornerstone of the nutrition assistance safety net, SNAP kept nearly 5 million people, including 2.2 million children, out of poverty in 2012. This Administration has achieved historically high payment accuracy rates in SNAP, among the best in the Federal government, and the Budget includes additional investments in SNAP program integrity.

USDA continues to improve and enhance the school food environment such as providing performance-based increases of 6 cents per lunch for schools meeting the new meal standards, the first real increase in 30 years. We have published new standards for snack foods in schools that preserve flexibility for time-honored traditions like fundraisers and bake sales, and provide ample transition time for schools. We have also issued a final rule to allow food packages for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to better reflect current nutrition science and dietary recommendations, support breastfeeding, provide participants with more variety of foods, and provide WIC State agencies with greater flexibility in prescribing food packages to accommodate participants with cultural food preferences. To increase access to nutritious food, we have increased the number of farmers markets and made it

easier to use SNAP electronic benefits transfer (EBT) cards at those markets and facilitated direct farm-to-school marketing of fresh fruits and vegetables.

Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program provided benefits to more than 10.5 million people overseas in 2013, a record number. Also, following upon the positive reforms enacted in 2014 that mainly address development food aid, the Administration is seeking to enable P.L. 480 Title II to reach 2 million more people in emergency crises within the same resources and with more timely responses. These reforms provide a more agile and modern approach to global food assistance, pairing the continued purchase of the best of American agriculture with the flexibility of interventions such as increased local and regional purchase, cash transfers, and electronic vouchers. The Budget proposes the authority to use up to 25 percent of Title II resources for these types of flexible emergency interventions that have proven to be so critical to effective responses in complex and logistically difficult emergencies such as Syria and Typhoon Haiyan.

Within the President's Feed the Future initiative to enhance longer-term food security, we are also working with developing countries to facilitate the adoption of emerging technologies that hold the promise of improving agricultural productivity by creating crops that better tolerate drought, toxicity, disease, pests and salinity. These efforts contribute to economic growth and food security.

We have been implementing a series of policies aimed at preventing foodborne illnesses before they happen by targeting and eliminating contaminated products before they come to market. For example, in FY 2011, FSIS implemented stricter *Salmonella* and *Campylobacter* performance standards to reduce these pathogens in turkeys and young chickens. In FY 2012, FSIS began testing raw beef products for six additional strains of shiga-toxin producing *E. coli*

and prohibiting any product found positive from entering commerce, consistent with FSIS testing and policies for *E. coli* O157:H7. In FY 2013, FSIS redesigned its sampling program to improve detection of *E. coli* O157:H7 in regulated products to further protect the public from foodborne hazards. We also took the common sense action to hold any product being tested for adulterant until the test results are received. FSIS began a new program to test comminuted chicken and turkey products for *Salmonella* and *Campylobacter*. FSIS intends to develop new performance standards for comminuted products based on the results of this testing and risk assessment analysis. In December, 2013, FSIS announced its *Salmonella* Action Plan which outlines additional steps the Agency intends to take to address *Salmonella*, including developing *Salmonella* performance standards for chicken parts based on FSIS baseline results. FSIS has seen declines in the total number of illnesses attributed to FSIS-regulated products—between FY 2011 and FY 2013, the total number of such illnesses fell 13 percent, which equates to about 64,000 illnesses over the two-year period.

With passage of the Farm Bill, we have a great opportunity to build upon these results by bringing an enhanced array of authorities and resources needed to address the on-going challenges faced by rural America and provide a foundation to help rural communities prosper, enhance the resiliency of forests and private working lands and ensure access to a safe, diverse and nutritious food supply. It restores disaster assistance and invests in programs to help beginning, small and socially disadvantaged farmers and ranchers. Our communities will have additional resources and new tools to take advantage of new economic opportunities and create jobs. It provides access to nutritious food to those that need it. The potential of new products, production methods, and discoveries will be strengthened through new agricultural research. Renewed conservation efforts will protect our natural resources and create new tourism options.

The Farm Bill will support the next generation of farmers and ranchers, while achieving meaningful reform and billions of dollars in savings. USDA's dedicated employees are hard at work to implement the bill effectively and expeditiously.

The President's 2015 USDA budget proposal builds on the Farm Bill and focuses on creating jobs and building a foundation for future economic growth within the constrained levels of funding. Three months ago, through the Bipartisan Budget Act of 2013 (BBA), Congress came together on a bipartisan basis and took an important first step toward replacing the damaging cuts caused by sequestration with longer-term reforms. Recognizing the importance of the two-year budget agreement Congress reached in December, the President's Budget adheres to the BBA's discretionary funding levels for 2015.

USDA's total budget for 2015 we are proposing before this Subcommittee is $141.4 billion, of which approximately $122.4 billion is mandatory funding. The majority of these funds support crop insurance, nutrition assistance programs, farm commodity and trade programs and a number of conservation programs. The Budget includes funds to fully support estimated participation levels for SNAP and Child Nutrition Programs.

For discretionary programs of interest to this Subcommittee, our budget proposes $19 billion, approximately $242 million below the 2014 enacted level. That level fully funds expected participation in WIC. It includes the funding needed to meet our responsibility for providing inspection services to the Nation's meat and poultry establishments. The Budget also includes over $1 billion to renew approximately 243,000 outstanding contracts for rental assistance. We appreciate the Subcommittee's on-going support for this program. For 2015, we are proposing changes to the operation of the Rental Assistance Program to ensure its long term viability.

The Budget creates new opportunities and continues to give a priority to spurring investment in rural businesses that want to take advantage of emerging markets. The 2015 Budget reproposes the consolidation of several rural development programs into an economic development grant program designed to assist small and emerging private businesses and cooperatives in rural areas with populations of 50,000 or less. This program is needed to improve our ability to leverage private sector resources aimed at developing regional economies. The Budget would also give rural businesses more access to capital by shifting funding from traditional loan programs to venture capital type funding that offers a more diverse array of financial products. The 2015 Budget supports loans and grants programs that aid in the development of food retailers in urban and rural food deserts and food hubs for locally- and regionally-produced products, including dedicated funding for the Healthy Food Financing Initiative authorized in the recent farm bill. We double grant funding to increase broadband access in the rural communities that are least likely to have broadband infrastructure needed for economic development.

We understand the new opportunities in rural America that the biobased economy provides. In addition to the mandatory funding provided by the 2014 Farm Bill, discretionary funding is requested for the Rural Energy for America Program to provide financing for the purchase of renewable energy systems. We also propose $1 billion to support environmental upgrades to existing fossil fuel electric generation facilities and target electric funding to supporting renewable energy projects to significantly reduce carbon emissions.

The budgct request also meets the growing demand for farm credit with sufficient funding to serve over 40,000 producers in 2015 seeking to finance operating expenses, to acquire a farm, or keep an existing one. Approximately 85 percent of the funding will be targeted to new

and beginning farmers and ranchers, including our Nation's veterans, so that we can ensure that our country's next generation of growers and producers get off to a good start.

The Budget supports our continuing efforts to improve access to nutritious foods and promote healthy diets. In 2013, USDA and its partners well exceeded our goal to provide 5 million additional meals than in 2012 to eligible low-income children through summer meal programs. Although encouraging, there are more than 21 million such children participating in school meal programs and fewer than 3 million who receive Summer Food Service Program meals when school is not in session, which indicates many kids may not be getting adequate nutrition during the summer. A key investment in 2015 is $30 million for summer food EBT demonstration projects, which test the extent to which providing extra benefits through SNAP and WIC EBT over the summer for households with school-aged children reduces food insecurity. The summer EBT pilots funded by this Committee in 2010 are showing real promise in reducing hunger and improving nutrition, and the Budget proposes to build on that success. The Budget also requests additional funding for school equipment grants, to help our schools prepare and serve healthy meals.

The 2015 Budget makes strategic investments that further innovation and encourage creative approaches to solving rural America's most pressing challenges. Our budget emphasizes research that will tackle major, crosscutting issues facing farmers, including food safety, renewable energy, climate change and pollinator health, and offer genetic resources and tools to increase agricultural resiliency and enhance food production. The 2015 Budget includes a significant investment for the Agriculture and Food Research Initiative (AFRI). We are also proposing the creation of three Innovation Institutes, public-private partnerships that will focus on emerging challenges to agriculture. These institutes will address the decline of pollinator

health, bio-manufacturing and bioproducts development, and anti-microbial resistance research. In addition to the institute for pollinator health, the President's Budget requests an additional $20 million in USDA's budget for a multi-agency initiative to respond to the urgent problem of the decline of pollinator populations. USDA's activities will be coordinated with other departments. The Budget also includes funding to begin the planning and design of the 2017 Census of Agriculture.

Because the BBA levels are not sufficient to expand opportunity to all Americans or to drive the growth our economy needs, the President's 2015 Budget includes a separate, fully paid for $56 billion Opportunity, Growth, and Security Initiative. The Initiative identifies additional discretionary investments that can spur economic progress, promote opportunity, and strengthen national security. For USDA, the Initiative includes $155 million to design and construct facilities to replace the outmoded Southeast Poultry Research Laboratory in Athens, Georgia. An additional $60 million is included for AFRI, as well as an additional $20 million for formula research grant programs that would be available on a competitive basis. Finally, as part of the Climate Resilience Fund, $100 million would be provided through the Natural Resources Conservation Service to enhance support for private landowners to manage landscape and watershed planning for increased resilience and risk reduction.

The President's Budget proposal includes reforms needed to meet tight discretionary caps, while ensuring that USDA's millions of customers across rural America receive stronger service. These include efforts to reduce administrative costs, streamline operations, and improve program integrity. Since 2010, USDA has implemented numerous measures to increase efficiency and reduce spending to absorb uncontrollable costs and manage significant reductions to discretionary funding. We have done this by aggressively implementing our Blueprint for

Stronger Service, which has achieved almost $1.2 billion of savings and efficiencies. We will build on these efforts in 2015 by consolidating leased and owned office space and requesting authority to use expired, unobligated funds to invest in facilities and other capital needs to better manage the Department.

For 2015, we will improve our capacity to help produces and rural communities that we serve. We will continue efforts to modernize the farm program delivery system through a Model Service Center concept to ensure offices are strategically located and have adequate staffing and equipment to strengthen services to producers. Savings from the consolidation of 250 Farm Service Agency offices would be re-invested in the modernization effort. A Rural Corps, comprising economic development professionals, will be placed in 10 high-need areas to provide technical assistance and hands-on support at the local level. This model will increase the likelihood that investments in infrastructure and economic development are strategic, creating jobs and long-term economic benefits within in the region.

Throughout the Farm Bill process, the Administration has advocated for comprehensive legislation that provides meaningful reforms. We are pleased that many of these reforms have been adopted in the Farm Bill; however, we believe further reforms are warranted to reduce the cost of the crop insurance program. The proposals represent a balanced approach to reducing the cost of the program, while maintaining a strong safety net to protect producers from natural disasters and price fluctuations.

Funding for selected programs is reduced or terminated and resources are reallocated to targeted investments in priority programs and infrastructure to support sustainable economic growth. Further, discretionary spending is partially offset through about $1.5 billion of proposed limits on selected mandatory programs and other adjustments.

Our budget is roughly $400 million less than it was when I became Secretary in 2009. I can assure you that we have done and are doing everything we can to make USDA a more efficient operation without limiting service to our stakeholders. We will continue to work to be as efficient as possible, and look to you to provide us the flexibility we need to be able to use our resources most effectively.

At this time, I will be glad to answer questions you may have on our budget proposals.

Mr. ADERHOLT. Thank you, Mr. Secretary.

SCHOOL MEAL WAIVER PROCESS

And what we will do is again we will proceed on. Probably it is going to be another 15 or 20 minutes before we have any votes. So we will proceed as long as we can, and then we will return after the votes.

Let me start out with something that was in the fiscal year 2014 Omnibus. Language was included to direct the USDA to establish a waiver process for schools that are finding that the implementation of the school breakfast and the competitive food regulations are too costly. Chairman Kline of the Education and Workforce Committee and I sent a letter asking that you act quickly to put this waiver into place. And if there is no objection, I would like to also enter into the record a letter from the School Nutrition Association supporting the waiver.

[The information follows:]

SCHOOL
NUTRITION
ASSOCIATION

March 7, 2014

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Dear Mr. Secretary:

On behalf of the School Nutrition Association (SNA) and its 55,000 members, we are pleased that President Obama signed into law the *Consolidated Appropriations Act for FY 2014*, P.L. 113-76. As you know, the legislation provides USDA with a directive to establish a waiver process that will provide local schools with an option to delay the implementation of new school breakfast and competitive foods nutrition requirements if the regulations prove too costly. Since the directive requires the process to be completed within 90 days of enactment, SNA is most interested in the status of this effort. Given that we are fast approaching the deadline of April 17, 2014, we look forward to informing our school nutrition professional members about the process for applying for this waiver.

SNA believes it is critical that this waiver directive be ready by April 17 to allow schools to apply before the start of the 2014-2015 School Year on July 1. As you know, while many of our members have already successfully implemented the school lunch, breakfast and the forthcoming competitive foods rules, others could use another year to better prepare. SNA would also encourage the Department to take into consideration as it develops the waiver, that it be simple, streamlined, and not overly burdensome so that SFAs can successfully complete the waiver in a reasonable amount of time.

Since the passage of the Healthy, Hunger-Free Kids Act (HHFKA), School Food Authorities (SFAs) have continued to take great pride in providing our students with healthful and tasty meals to more than 30 million students each school day. However, the yearly changes have placed an undue financial and administrative burden on operators and industry alike. Thus, this waiver will allow certain schools the option to have more time to prepare their districts, schools, and students.

Secretary Vilsack, SNA appreciates our positive working relationship with USDA and the Food and Nutrition Services Division. We are grateful for the opportunity to discuss the many changes required by HHFKA and look forward to continuing this relationship as we prepare for Child Nutrition Reauthorization in 2015.

Sincerely,

Leah Schmidt

Leah Schmidt, SNS
President

Pat J Montague

Patricia Montague, CAE
Chief Executive Officer

cc: SNA Board of Directors

Mr. ADERHOLT. And let me just say one of the paragraphs in here from the School Nutrition Association says, "Since the passage of the Healthy, Hunger-Free Kids Act, school food authorities have continued to take great pride in providing our students with helpful and tasty meals to more than 30 million students each school day. However, the yearly changes have placed an undue financial and administrative burden on operators and industry alike. Thus, the waiver will allow certain schools the option to have more time to prepare their districts, schools, and students."

I know you have sent a letter to us. I literally just received it this morning right before I walked into the hearing, so I hadn't really had a chance to look at that. But could you tell me about how you could possibly implement a waiver like that?

Secretary VILSACK. Mr. Chairman, I appreciate the question. I think it is important to point out that school districts have received the benefit of a 6 cent increase as a result of the Healthy, Hunger-Free Kids Act. We obviously respect very much the directive from Congress. Ninety percent of school districts across the United States have embraced it and are currently being certified in terms of their participation in the Healthy, Hunger-Free Kids Act and the nutritional standings are improving. So we are focused now on the 10 percent that are having a bit more difficulty. We want to help those 10 percent.

The Richard B. Russell National School Act basically makes it literally impossible for us to provide the waiver that you have requested. By express language in that statute we are prohibited from granting a waiver. And I will quote from the statute. "The Secretary may not grant a waiver under this subsection that increases Federal costs or that relates to, A, the nutritional content of meals served, and under paragraph sub J, the sale of competitive foods." Your letter was directed both to the breakfast program and the nutritional standards and to the sale of competitive foods.

We are trying to help those school districts. We recently announced $5.5 million in grants under our Smarter School Lunchroom program. This is going to provide $50,000 to each State and to assist in competitive grants up to $350,000 for districts and for school associations and for departments of education to assist and help the other 10 percent of schools that are having a more difficult time.

Where there has been an opportunity for us to be a bit flexible, as in the case of protein content of meals, we have been able to do that. We initially proposed some changes. We then made those changes in terms of protein content and portion size permanent. We will continue to look for ways to help the 10 percent of schools that are having a difficult time. But unless this law changes, Mr. Chairman, I don't think I have the statutory authority to be able to do what you would like us to do.

Mr. ADERHOLT. Well, needless to say, we are getting feedback from our schools that they want to see some kind of waiver. Schools are searching for some type of relief. But I do note that the Farm Bill explicitly prohibits USDA from advertising and recruiting for SNAP, but you were quoted as saying that we will find a creative way to make sure people know about the program.

I guess my question, if you really wanted to, I could think maybe you could find some creative ways to implement this waiver. And the intent of the language is not to permanently waive the standards and requirements of the law, it is a process to delay and give more time for schools to comply with the regulation.

In fact, USDA provided a similar delay for the breakfast requirements when it issued the final regulation on the new school meal standard. I quote, "Most notably, this final rule provides additional time for the implementation of the school breakfast requirement and modifies those requirements in a manner that reduces the estimated cost for breakfast changes as compared to the proposed rule."

Mr. Secretary, these challenges are not going away, and I would hope that you work together with us to try to find ways to help these school cafeterias.

Secretary VILSACK. Mr. Chairman, I think we are willing to find ways. And we will be happy to work with this Committee and with you to look for ways. I think the law is pretty explicit as it relates to the waiver of the program in terms of nutrition standards and competitive foods. But we are more than happy, and I think we have shown in the past a willingness to be flexible.

I would point out, I think the SNAP situation is a bit different simply because I think there is a difference between educating and advocating. And I think what Congress was attempting to tell us is that you didn't want us to incent or encourage recruitment of people to go out and search for people to qualify for SNAP. I am not sure that you intended to prevent us from educating people about the existence of the program.

One of the concerns that we have had about this program is that when I became Secretary only 52 percent of eligible folks participated in the program, and that was because a number of States were not really doing a very good job of letting folks at least know that the program existed. Today, that participation rate is about 80 percent. So, you know, I think we will obviously work with you on waivers and on flexibilities within whatever statutory responsibilities we have.

Mr. ADERHOLT. Yeah. Well, we want to work together because, like I said, I am hearing a great pushback, and it is a very real concern out there among schools. And they are very, very concerned about it. And I want to relay that to you, because as a Representative and hearing from these school cafeterias, they are very, very concerned.

So, Mr. Farr.

WIC FOOD PACKAGE

Mr. FARR. Thank you very much, Mr. Chairman. I think I will follow up on your question. There is a lot of concern. And it is because, frankly, if you look into the law like I have, our idea of getting nutritional food to the children in this country is absolutely a smart thing to do. The problem is Congress has micromanaged this program where every child who walks into a cafeteria has to first of all be means tested. You don't do that when they get on the bus. You don't do that when they walk into the library. But if they are

going to walk into a food area, they have got to be means tested so that we can tell which kid gets free or reduced lunch payments.

And then we go on to dictate the portion size, the nutritional content. We even last year went so far, because of special interests, the potato lobby here, this Congress ordered you, worked out, sort of mitigated the language between the Senate and the House to figure out how to make white potatoes a nutritional item as part of the WIC food program. And I think we asked you in our legislation, the language saying we expected you to amend the rules governing the WIC program to include, in effect, white potatoes in the WIC food package.

We asked for a report from you if you chose not to amend the rules, and I think Under Secretary Concannon recently sent us that report. I suspect that we are going to be back there with the same members of the Committee, same issue. They didn't win last year, they are going to be back again this year. And I just wondered, we never got a chance to hear your viewpoint. It was added after this Committee had done its work. It was in the full Committee. What are your views on this issue?

Secretary VILSACK. Well, Congressman, I think it is important to point out that we approached the Institute of Medicine to ask for advice as to how to structure a WIC program that would provide supplemental assistance and nutrition for women, infants, and children. They took their job very seriously. They made a set of recommendations. And the recommendations were that we should focus on nutritious choices in food products that would not normally be purchased or not normally be used by women, infants, and children.

The issue with potatoes, white potatoes, and potatoes generally is the average American consumes almost 90 pounds of potatoes a year.

Mr. FARR. What is that?

Secretary VILSACK. Almost 90 pounds of potatoes a year. The average American consumes almost 90 pounds. It is like 88.7 pounds of potatoes.

So the Institute believed that it would be appropriate to focus on vegetables that weren't consumed in quite the same level of quantity. And so they suggested and proposed and directed us to focus on green, orange, and red vegetables, which we have done in the WIC program. The report that Under Secretary Concannon provided essentially says that we have nothing against potatoes, but this is a supplemental program. This is supposed to supplement what people would otherwise normally buy. And that is why potatoes were not included and why we focus the WIC package on more nutritious alternatives that are not normally purchased by women for their children. So it is really based on the Institute of Medicine recommendation.

Now, the potato folks say, well, there is additional nutritional information. Fair enough. We have asked the Institute of Medicine to sort of accelerate their review, they do this periodically, accelerate their review, and if there is additional information or new information that has come to light, we will certainly take that into consideration. But at this point in time this is really a focus on

what will supplement and complement what people are already purchasing.

SCHOOL LUNCH PROGRAMS

Mr. FARR. In getting back to the school lunch programs and the school feeding programs, could we use the appropriate technology—you have talked about sort of streamlining the management of rural FSA offices and combining them through electronics—is there a way where we could essentially, if we have to, if we are not going to change these micro requirements of measuring each child each day for the amount of food they get and whether it is nutritional food, could we begin sort of a barcode system so that the things that the Chairman is talking about where the servers are, they are just overwhelmed by the amount of work they have to do and the limited amount of money they have.

So can't we use smart technology to sort of proportion size and then make sure that the child who is receiving that proportion is also—all those records are kept electronically?

Secretary VILSACK. Well, I think a couple things, Congressman. We are obviously very anxious to work with technology advances to modernize our programs. It is an issue of resources, obviously. We think the first order of business is to help schools better equip themselves to be able to produce food on-site, which is why we have had the school equipment grant program. Nearly $200 million has already been granted out to schools to improve their equipment purchases so they can actually produce food on-site.

We have also recently launched the Community Eligibility Program. Currently, roughly 3,300 school districts, representing 22,000 schools and several million children, currently, because of the high level of poverty in their school district, rather than forcing them to go through this process of deciding who gets free and reduced lunch and who doesn't, essentially everyone is considered and deemed to be part of that free and reduced lunch population. So it saves the school district the administrative expense and the cost, and ensures that every youngster who should be participating in the program does.

That may be an opportunity to take a look at that process and to determine whether or not that would be an easier way to administer these programs. So we are looking at ways to streamline. We are looking at ways to improve equipment. And we would be happy to work with you on other ideas.

Mr. FARR. Thank you very much. I appreciate it. My time is gone.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Rogers.

SNAP EDUCATION

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Secretary, let me ask you about the SNAP program. In your budget request you propose that we spend $104.7 billion for food stamps. That is a three-and-a-third-billion-dollar increase in 1 year. I am told that there are some 47 million participants per month. And whether you call it education or recruitment, there are people out there from the government that are aggressively seeking

out people to sign up. And let me ask you where in your budget request do you have monies for, quote, "education" on the program?

Secretary VILSACK. Mr. Chairman, we provide several hundred million dollars to States through the education and training part of the budget that provides them resources to do several things. One is to make sure that those who are eligible are aware of the existence of the program and to work with us to do a better job of connecting the 8 percent of SNAP beneficiaries that are able-bodied without dependents to be able to access work opportunities if they are aware of jobs that are available.

One of the great opportunities I think that the Farm Bill presents is the ability, with the pilot programs authorized in the Farm Bill, for States and for us to do a better job of connecting those able-bodied folks to work. I think that will result in a decline in the number of people currently receiving SNAP, and we anticipate and are projecting a decline because of the improving economy.

Mr. ROGERS. Well, you know, the Farm Bill is pretty plain. The language is as blunt as you can put it, I think, that no money shall be used for the purpose of soliciting, advertising, and recruiting for SNAP. And you call it education, but I think the intent of the Bill for all practical purposes is a prohibition.

Secretary VILSACK. Mr. Chairman, I think that you are correct, there is a prohibition towards using resources to hire people who would go out and who would be paid based on the number of people that signed up for the program. I think that there were concerns expressed about that practice that some States utilized. And I think it is important to point out that States administer this program. And so some of the decisions that are being made in terms of how to recruit versus how to educate are being made at the State level.

Mr. ROGERS. But surely the U.S. Department of Agriculture has the capability by regulations to tell the States what they can and can't do.

Secretary VILSACK. Well, we do, and we are working with them. But part of the problem, Mr. Chairman, is that there are some folks, when they get into a position in State government, where they are happy to have a program, they just simply don't want people to use it. And that is what we found when I came into this office, we found a number of States where the participation rate in SNAP was woefully inadequate. There were a lot of people who qualified for this program who simply didn't get in the program.

I think the key here is, as long as the qualifications are what they are, I would hope that we would want, in a perfect world, everyone who is qualified for the program using the program and participating in the program, as opposed to obviously nobody wants people that aren't qualified to be participating in the program. That shouldn't happen, to the Chairman's point about integrity and mistakes and so forth. We obviously want to continue to reduce those.

Mr. ROGERS. Well, you know, for good or ill, this item in the budget, $104.7 billion out of $144 billion, I mean 80 percent of your budget is going, roughly, for the food stamp program.

Secretary VILSACK. Mr. Chairman, can I put this in a slightly different light, if I could? First of all, I think it is important to under-

stand who gets this program. Ninety-two percent of the people receiving this program are senior citizens, people with serious disabilities, children, or those who are actually in the workforce who are struggling because they have got a minimum wage job or they have a part-time job. So it is helping a substantial number of people who I think are playing by the rules.

Secondly, this is part of the overall effort to stabilize prices and so forth in terms of our agricultural economy, because if people can buy more in the grocery store, what we do know is they do indeed buy more. And it is clearly an antipoverty program that is effective. Records would show that this SNAP program helps to reduce the poverty rate and helps to reduce the severity of poverty that folks face. So I think it is a successful program.

Now, the best way to reduce the number, the best way to reduce the number is to do a better job of linking people who are able-bodied who can work and should work to jobs that we know are out there. And we do need to do a better job of that, and I think the Farm Bill gives us an opportunity to do that.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. ADERHOLT. The vote has been called, but I want to recognize Mrs. Lowey. We have several minutes before we have to go.

SUMMER FOOD DEMONSTRATION PROGRAM

Mrs. LOWEY. A quick question, really following up on some of your comments. The budget request includes $30 million to continue a demonstration program to provide money for food to poor children during summer months, when they are not benefiting from school feeding programs. There were very encouraging results from the current pilot at a modest cost of about $60 per child per month using existing WIC or SNAP/EBT programs. The budget proposes to either continue the demonstrations in the same area or go statewide in some smaller States.

I know it would be very helpful in New York. I think it is an important program. Can you tell me what you have learned from the existing demonstration program? What do you hope to achieve with the 2015 budget proposal?

Secretary VILSACK. Congresswoman, there are 20 million youngsters who are on free and reduced lunch in this country. And unfortunately, during the summer months, our summer program reaches roughly 3 million. So there is obviously a significant delta.

We want to try to figure out ways in which we can improve the nutritional opportunities for these youngsters, because we know it is linked as well to their health and to educational achievement. So this program has essentially focused on about 100,000 youngsters. It has ramped up over the period of the last couple of years. As you mentioned, it provides $60 a month for these youngsters to buy additional food.

What we have found is that it helps to reduce food insecurity among that population by 33 percent, which is a fairly significant number. What we would like to be able to do is to ramp this up. We think we can still get those same kinds of benefits even if the overall amount of the benefit per month is slightly less than $60. We think we can still get significant benefits. But we would like to expand it. We would like to see what this would look like on a

statewide basis, above and beyond the 10 States and tribal areas that it currently is operating in.

Mrs. LOWEY. I just want to say I am totally supportive of this program. It is hard to believe that you go from 20 million that receive free lunch to 100,000 youngsters now. And I do hope we can continue to support this, to expand it. By the way, the first program I ran when I was working for the State was hiring the unemployed to use government subsidies to cook, using the government subsidies. And they had wonderful free lunches. We used them in the summer program and the winter program. We will talk further about it.

Thank you very much.

Mr. ADERHOLT. Okay. Again, we apologize for the votes. But as you know, that is out of our control. So we will take a recess for about 25 minutes, and then we will reconvene. So thank you for your patience with us.

[Recess.]

Mr. ADERHOLT. Okay. We are back and we will begin with Mr. Latham.

USDA SUPPORT FOR FARMERS

Mr. LATHAM. Thank you very much, Mr. Chairman.

And welcome, Mr. Secretary. This is my last time probably to be here with you, and I guess I want to make a couple observations. Going back with the Clinton Administration, the Bush Administration, I had always heard from farmers that they felt that the Department was supporting them, that that was their advocates in Washington for the farmers was the Department of Agriculture.

I will just have to say I hear, every time I meet with farmers, talk with them one on one, that there is a huge change. They don't think the Department is on their side. When you look at things like the Department of Labor, when they come out with a proposed rule so that farm kids can't help their parents on the farm, the first response from you and the Department basically is in support of the Department of Labor, rather than the farm and farm families.

The Department, I mean, you have got a lot of livestock producers out there. The Department talks about meatless Monday, and the message that that sends to them, what should be the Department's constituency, is that you are against them; you are not with them.

When they are inundated with regulations from EPA, whether it be under the Clean Water Act, particulates with the Clean Air Act and dust, we don't hear anything in opposition from the Department to support the farmers themselves and their positions.

The renewable fuel standard coming out, and I would like to know what advice or counsel or what the Department's position is. It is going to be devastating to a lot of people in rural Iowa, certainly, and a lot of places across the Midwest and throughout the country as far as agriculture.

But I just am, leaving here, it is very, very disappointing to see the change in attitude at the Department toward what should be their constituents, the farmers themselves. You know, this is something that is obviously near and dear to my heart with my back-

ground coming from a big town of Alexander, 165 people, living in the suburbs on the farm outside of town.

But there is a change. There is a huge change. And I hear it every day. And I don't know if you want to respond. I have got, we have a luncheon—that is why I have a green tie on, we have got the Irish Ambassador here. I don't know if you have any response, but it is very discouraging to me.

Secretary VILSACK. Well, Congressman, I am surprised by your comments, and I do want to respond, because I think they merit a response. With reference to the Department of Labor, this Department basically suggested that it was not the appropriate approach and that we suggested it was an opportunity for us to better educate folks about public safety and farm safety, generally, and we worked with the Labor Department to get that rule pulled and to create an alternative approach.

Mr. LATHAM. Wasn't your first response, though, in your tweet in support of——

Secretary VILSACK. Yes, it was.

Mr. LATHAM. What they were doing?

Secretary VILSACK. No, no. Our first response, Congressman, was to suggest that there was a better way to do this and that we work with the Department to find a better way. And we are working with Penn State and a number of other land grant universities to develop a curriculum that will make it easier, and we worked with the Farm Bureau and the National Farmers Union, you can talk to Bob Stallman and Roger Johnson and others who were in the room with me when that alternative was proposed.

As it relates to Meatless Monday, I was very critical of that effort and immediately so. It was pulled immediately. It wasn't something that I sanctioned. And I would point out that livestock exports are at record levels under this Administration. Every dollar that we spend in promotion is generating $35 in trade. We are at record levels of agricultural trade and record levels of farm income.

In terms of the Environmental Protection Agency (EPA), we are obviously working with them on waters of the U.S. to make sure they fully understand and appreciate exactly what will and will not happen based on what they are looking at. We have encouraged the EPA to talk with farmers and we have arranged for meetings to take place between farm groups and the EPA Administrator. We have arranged and suggested that the EPA Administrator go out and talk to farmers.

The dust rule doesn't exist, and you know it.

As far as the Renewable Fuel Standard (RFS) is concerned, we are working with the EPA so they fully understand and appreciate the current situation relative to gas. When the RFS was established, as you well know, it was based on the assumption that there would be increased gas utilization by Americans; that has not necessarily been the case. What we are focused on is making sure that there are continued opportunities to expand exports of ethanol and continued capacity to have higher blends.

In fact, I have spoken directly to Governor Branstad in our home State about a joint effort to encourage more E85 tanks. I find it interesting that Congress made it more difficult for us to do that, when you essentially restricted us from using Rural Energy for

America Program (REAP) funds for blender pumps, but we will figure a way to continue to help expand opportunity for higher blends.

So I am happy to visit with those farmers who express disappointment to you. That is not what I hear, and so, obviously, we must be talking to different groups.

Mr. LATHAM. I think we are probably talking to the same people, but——

Secretary VILSACK. I don't think we are, Congressman. With all due respect, I don't think we are.

Mr. LATHAM. Well, I know what I know, and it is very disheartening to me to see the change in the relationship. There is an absolute feeling out in the country that the Department sides more with EPA, that it takes the orders from above and is not advocating for farmers and that is——

Secretary VILSACK. That is just not true. That is just not true.

Mr. LATHAM. That reality—perception can be reality if it is not, but that is the reality of the situation.

Anyway, thank you very much, Mr. Chairman. I will have to excuse myself here. Thank you.

Mr. ADERHOLT. Ms. DeLauro.

OPENING STATEMENT—MS. DELAURO

Ms. DELAURO. Thank you very much, Mr. Chairman.

Welcome, Mr. Secretary. First, let me thank you for your work to preserve, to strengthen the integrity of the WIC program and a science-based food package that is essential to improving the health of our kids.

Secondly, I would like to quickly applaud, if I can, the Governors in the six States, Connecticut, New York, Rhode Island, Montana, Oregon and Pennsylvania, and thank them for making up the difference in the Food Stamp Program and understanding how critically important it is to vulnerable populations.

On this issue, because I want to move to another one quickly, I just might add, in light of the education commentary that we have heard here today, it is interesting to note that FSA, these are news releases from Farm Services Agency (FSA) which come out regularly: "USDA Reminds Producers of Approaching Deadline on CRP General Signup"; "SURE Disaster Deadline Approaches for 2011 Crops"; "Farmers and Ranchers are Reminded that the Signup Period for Supplemental Revenue Assistance Payments for 2009 Losses has Opened"; "Enrollment Reminder for Directing Counter-Cyclical Payments and Other FSA Programs."

My God, if we can be getting notices out for all of these other efforts, we sure ought to be able to get notices out and education out to our farmers about dealing with their participating in the Food Stamp Program.

Let me move to another area, Mr. Secretary, and that is, again, thank you for the restriction prohibiting domestic horse slaughter. I thank Jack Kingston for coming by and mentioning it.

POULTRY SLAUGHTER MODERNIZATION

But on a different area, why is the Department so intent on moving forward with the proposed poultry modernization rule and

given the reality associated with this proposal. The rule is based on a program, the Hazard Analysis and Critical Control Points HACCP-based Inspection Model Project, or HIMP, GAO twice found to have no food safety benefits. Over 15 years, USDA's Food Safety and Inspection Service has been running pilot programs in 25 chicken and turkey processing plants called the HACCP-based Inspection Model Project. The project has been assessed twice by U.S. Government Accountability Office. Both times FSIS failed to convince investigators of any food safety benefits.

Also, their commentary was that there is no data collected over the 15-year run of this program that demonstrates any reduction in food-borne pathogens, like Salmonella and Campylobacter. The study cited by FSIS has suggested a reduction in Salmonella when more offline microbial testing is performed. No provisions in the modernization plan for mandating, for mandating microbial testing for Salmonella and Campylobacter, the two pathogens most commonly associated with raw poultry.

Further, there were limitations in the data that was found by GAO in the report on chicken plants. There wasn't even a report on the pilot program at turkey plants. FSIS has said that it plans to address some of these limitations as it works to complete the final rule. The question here is, shouldn't USDA be addressing these data limitations so that we better understand the implications, including on food safety, before we move forward with the rule?

And I have said nothing about worker safety or any of the other areas that come into play with this effort. So that is a first question on this effort.

The GAO further states, quote, "Without complete disclosure from FSIS, the public, including stakeholders, do not have complete and accurate information to inform their comments on the proposed rule and provide them with a clearer understanding of the potential impacts of the final rule."

Again, shouldn't we be more transparent with the public, work with stakeholders concerning the implications on food safety, worker safety and the treatment of animals before we move forward on this rule?

Secretary VILSACK. Congresswoman, thank you for asking the question. I guess I have a slightly different view of this rule than what you have just outlined. I spent some time yesterday actually taking a look at the rule and reading it, and what I know from my reading is that we have had a 13-year history with the 25 plants that you mentioned.

There has recently been a review of data concerning those 25 plants, and I believe that the professionals at the Food Safety and Inspection Service (FSIS) are confident in saying that there has been an increase of compliance with safety standards equal to or fewer product safety issues in those plants than the general plants that we have and the other processes that we use, and equal to and fewer worker-safety issues in those plants based on the data.

This is a voluntary program. It is a program that would be phased in. It would provide more inspections offline where we know pathogens attach. It would require more verification of compliance with standard operating procedures and with Hazard Anal-

ysis and Critical Control Points (HACCP) requirements. Line speeds have averaged in those plants about 131 birds per minute. There is obviously a difference between line speed and inspection and processing as it relates to workers safety.

The processing, which is where the workers safety issues arise, really is a function of equipment; it is a function of facility layout, the number of lines, the flock condition, and the number of employees involved. And the rule would provide that if there are compliance problems and process problems, that we would be able to shut the process down.

It would require new microbiological testing and recordkeeping that currently doesn't exist. And it would make strong recommendations relative to worker safety, a prompt reporting of injuries, training, early detection, routine surveillance, quick mitigation of problems concerning worker safety, and an injury prevention program would be recommended. A complaint procedure would be set up. Our workers would have opportunities to take a look, and if they saw a worker condition that was unsafe, they could essentially report it.

So, you know, I think that, on balance, we believe this will save and prevent roughly 5,200 illnesses a year, and we think the poultry system has not been modernized in 60 years. As was pointed out earlier today by a younger staff person, this system was established in 1950, and she said it with such an emphasis as if 1950 were so long ago. That was the year I was born. It was a while ago. And certainly, I have evolved over the period of 63 years, and hopefully, we can evolve a process. And I think we have made an effort to listen, and I think when the final rule is proposed, that will reflect itself in proposals that are contained in the——

Ms. DELAURO. Mr. Secretary, isn't it true that the poultry companies will decide their own performance standards, and we are providing only guidance? And then the piece of this, which is very interesting, is the end of the process. If we find fecal material and all these other unbelievable contaminants on the product, that then it is dipped in a chemical bath, so that we then deal with whatever toxic configuration that is left.

And we are eliminating inspectors. We are allowing the company to put inspectors on. In addition to that, there isn't a training program set up for inspectors. We will have more time to talk about this. I understand my time is done. But I think that there is a vast amount of information, and I would hope then you would challenge what the GAO was saying, because the GAO reports are very, very clear to see no health benefits arising from this, and the further understanding that with Salmonella and Campylobacter, we are putting ourselves in public health danger.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you.

Gentleman from Mississippi, Mr. Nunnelee.

DISCRETIONARY AND MANDATORY SPENDING

Mr. NUNNELEE. Thank you, Mr. Chairman.

Thank you for being here, Mr. Secretary. In your testimony, you talked about how the discretionary spending under your watch has been cut by almost half a billion dollars. And I want to commend

you for that. I think working with Chairman Rogers and leadership here, we have been successful. But do you have numbers on what the mandatory spending has done in that same time period?

Secretary VILSACK. We can get you those numbers, Congressman. I am sure that it likely has increased, although with the recent changes in the Farm Bill, we are expecting mandatory funding to actually go down.

Mr. NUNNELEE. My figures show me that the mandatory spending has gone up at about the same rate as the discretionary figures have gone down. So the net cost is about the same. Does that seem consistent with what information you might have?

Secretary VILSACK. Can you give me just a second? I want to make sure I answer your question accurately.

Actually, there has been an increase in mandatories during that period of about $31 billion.

Mr. NUNNELEE. $31 billion. So we are cutting on the discretionary side, but while we are doing that, the mandatory continues to go up?

Secretary VILSACK. Well, the discretionary side is a side that I have at least some control over; the mandatory side is, obviously, mandatory.

Mr. NUNNELEE. Right. And I just don't think there is anything that better highlights the issues that we are dealing with than those two statements, that we have got to continue to work together to find a way to reduce the mandatory side of spending, because that is what is going to bankrupt this country, all of our mandatory spending.

ECOLOGICALLY RESPONSIBLE DIET

Moving on to a different topic—I have been reading, interestingly, some dietary guidelines that have been published, and they say that they want to—that they are going to focus on an ecologically responsible diet. And I am just curious, what is an ecologically responsible diet?

Secretary VILSACK. Well, I think it is important to put this in the context, the proper context. As you know, we take a look at dietary guidelines periodically. We have a series of experts who come in and take a look and make a set of recommendations to the Department of Health and Human Services (HHS) and to USDA in terms of those dietary guidelines.

And historically, not just in this Administration but dating back to the Bush Administration, there were a series of factors that were looked at in terms of individual decision-making relative to diet and food system issues that impacted and affected the availability of food.

So it is, I think, appropriate to take a look, in an overview and in a context area, a variety of things that could potentially impact the availability of certain foods. So, for example, if you say it would be helpful for people to consume fruits and vegetables, that assumes that fruits and vegetables are going to be available.

Well, the question is, I think Representative Farr could probably tell us more about this, are we going to have as many fruits and vegetables available to us this year when a State like California that produces 50 percent of the fruits and vegetables is impacted

by a drought that is the worst it has seen in, I don't know, 100 years? So there is a context for that as it relates to what can we recommend, what impacts will there be relative to the availability of whatever it is we are going to recommend.

Mr. NUNNELEE. I don't know that that really answered my question as to what is the definition. We will just be submitting that question as to what is the definition of an ecologically responsible diet. And what I would encourage you to do is to——

Secretary VILSACK. Representative, I am not sure that that is what they will ultimately decide. Maybe I should state it another way. I don't think that is the question that the dietary guidelines will decide. I think they will make a set of recommendations about what a diet should look like in order for people to be healthy. And as they develop those recommendations, they are going to take a look at a broad array of things in terms of what is sort of the context of those dietary guidelines.

So I don't know that they are necessarily going to tell us what that is or even that we have to decide what that is. What they will tell us is their recommendation as to what a nutritious and balanced diet looks like and should look like.

CATFISH INSPECTION

Mr. NUNNELEE. Final question. The former Farm Bill was very explicit. Section 11016 said the USDA was supposed to issue guidelines on catfish inspection within 18 months after enactment in 2008, and we still don't have those guidelines. When can we expect them?

Secretary VILSACK. We will have them in 2014.

Mr. NUNNELEE. In March of 2014 or December?

Secretary VILSACK. Well, I don't mean to be facetious about this, sometime between March of 2014 and December, because it has to go through a process. We are in the process of finalizing these rules. We have gotten and received from Congress, what we requested, which was a more definitive definition of what catfish constitutes. I thought that was a relatively simple thing. I didn't know there were 39 or 40 different varieties of catfish; now I know that.

And it wasn't clear from the language of the previous Farm Bill what Congress intended in terms of whether our inspection should be narrow or whether it should be broad. You have now basically given us very specific directions that you want a broad definition. And that is very helpful to us in completing our process.

Mr. NUNNELEE. All right. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Bishop.

ACTIVE PERSONAL MANAGEMENT

Mr. BISHOP. Thank you very much, Mr. Chairman.

Thank you, Mr. Secretary. I think many of us in Congress are very interested in the Department's development of the new regulations in connection with the Farm Bill defining the term "active personal management" as used in the—make the actively engaged and farming determinations beginning in 2015 under the Farm Bill. And many of the farmers in my district believe that there is

a misconception of exactly what a farmer is and does on a day-to-day basis.

One of my farmers actually said, and I am going to quote, “Most farmers would actually much prefer driving a tractor rather than doing all of the tasks they face every day. Unfortunately, most farmers spend much of their time coordinating with the fertilizer guy, talking to the extension agent about soil samples, getting the parts to fix the plant or harvester, meeting with a banker, working on leases with their landlord or tenants, finding the labor or doing the paperwork. Most of us wish we could get back on the tractor. That is the easy part of the job.”

Clearly, farming is not just driving a tractor. And as the Department moves forward, it will be very critically important to carefully consider both size, the cropping mix, the regional locations of the farms, and the unique characteristics in developing this new definition.

I believe that the conference report provides some excellent guidelines for your consideration, and I hope that every effort will be made to make certain that throughout the process, there is no disruption to the family operations as provided in the statute.

I would kind of like to get your thoughts on that because, in some States, particularly in the southeast, agriculture has a broad portfolio and many farms have multiple crops. And of course, farming throughout the country, most farm families have a lot of farm income.

And the second part of my question is, when do you expect to issue proposed regulations on the actively engaged interpretation, particularly given the equally important competing issues that you will have to tackle, including implementation of the disaster programs and the Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC) programs, which, by the end of 2014 or 2015, or when will we have some sense of what that is?

And how much input will the Department allow for producers to actually talk about how they feel about this actively engaged definition? Because we would rather get it clarified sooner rather than later.

Secretary VILSACK. Congressman, we expect and anticipate to have a proposed rule by the end of this year, the calendar year 2014 on the issue of actively engaged. And I say proposed rule to respond to the part of your question and comment concerning input. Obviously, that would give people an opportunity to weigh in on what we propose.

I think it is fair to say we recognize the diversity of American agriculture, and we celebrate it. We know that there are small operations; there are midsized operations; and there are large operations. And it depends on where you farm and what you farm in terms of the size and scope and what is involved in the management of the farming operation.

Congress has indeed given us a very narrow lane in terms of what our capacity is to define actively engaged by virtue of the restriction that we are not to essentially participate or involve in family operations, and there is a fairly broad definition of what a family operation is.

I think that there was and is a concern on the part of many, an appropriate concern, that there are circumstances where folks who are really not actually farming and really not actually engaged in the management of a farming operation but who have invested in a farming operation, who participate in a very minimal way in decision-making have been able to qualify for benefits.

And I think it is appropriate for us to take a look at that, and I suspect that is basically going to be the primary focus. But I don't think your family farmers need be concerned about this because of the restriction that is contained in the law that you all passed.

BIOBASED LABELING PROGRAM

Mr. BISHOP. Okay. We will be looking forward to that.

Let me change gears for a moment and talk about the biobased forest products. My district's rural economy has a strong forest product industry, and I am excited that given the changes enacted in the Farm Bill, it is clear that forest products are eligible to fully participate in the USDA Biobased Label Program.

As you know, prior to the Farm Bill, there was a "mature market" limitation based on the user of certain wood products. Now that companies will be submitting applications for the program, will USDA move forward in processing them, despite the regulatory mature market limitation, which is now outside the statute, as a result of the Farm Bill?

Secretary VILSACK. We would anticipate and expect action on that sometime in the winter, the latter part of 2014 in terms of our ability to incorporate those changes in the Biobased Labeling Program.

Mr. BISHOP. Thank you. My time has expired.

Secretary VILSACK. Mr. Chairman, with your permission, 30 seconds of additional response.

We are very sensitive to the challenges that you have alluded to in terms of the forest industry, and that is why next week we are having a wood conference at USDA that will encourage Federal Agencies to take a look at the utilization of wood more effectively and more appropriately and more frequently in building projects and improvement projects for a variety of reasons, not the least of which is that we think we can make the case that it is climate-friendly. And with new changes in the structure and design of composite materials, we think it is, in some cases, can be as strong as steel and concrete.

Mr. ADERHOLT. Mr. Valadao.

POTATO EXCLUSION IN WIC PROGRAM

Mr. VALADAO. Thank you, Mr. Chair.

Mr. Secretary, I am glad that you referenced the fresh potato exclusion in the WIC Program. I would think that if folks at the IOM wanted to encourage the consumption of vegetables besides potatoes, then that would be a consistent policy at farmers market as well as supermarkets. Instead, as it currently stands, WIC vouchers used at a separate supermarket can't purchase fresh white potatoes, nothing processed. But they can be used to purchase those same potatoes at a farmers market. I find that a curious inconsistency.

I have a letter, dated March 13, 2014, that I signed along with about 65 other Members of the House, including Mr. Rooney and Ms. Pingree here on this panel, that expressed continued disappointment with this unnecessary exclusion.

Mr. Chairman, I would like to submit a copy of that letter for the record.

[The information follows:]

Congress of the United States
House of Representatives
Washington, DC 20515

March 13, 2014

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
14th and Independence, NW
Washington, DC 20250

Dear Secretary Vilsack:

The Consolidated Appropriations Act, 2014 (Public Law 113-76), which became law on January 17th, was accompanied by an unambiguous statement that it is the expectation of Congress that the Department include all varieties of fresh vegetables, as long as they do not contain added sugars, fats, or oils, in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Congress provided this directive in response to the unwarranted exclusion of fresh white potatoes from the WIC program. We were disappointed then to see your Department blatantly disregard the very clear direction by Congress in continuing to exclude fresh white potatoes from WIC food packages.

Division A of the joint explanatory statement accompanying the Act provides the expectations of Congress as they relate to the implementation of the appropriated funds for the United States Department of Agriculture for fiscal year 2014. The directive pertaining to fresh vegetables in WIC is found on pages 26-27 of the joint explanatory statement. It reads as follows:

> The agreement expects the Secretary to amend 7 CFR 246.10 in order for state agencies to include all varieties of fresh, whole, or cut vegetables, except for vegetables with added sugars, fats, oils; provided that inclusion of such vegetables contributes towards meeting the special nutritional needs of program participants and increases the availability of low-cost, high nutrient alternatives for participants throughout the year.

We believe you have failed to follow the direction Congress provided you in excluding fresh white potatoes.

We are committed to a science-based review process for the food package provided by WIC and believe that the program should reflect the most recent Dietary Guidelines for Americans (DGA). In the introduction to the 2010 DGA, you and Secretary Sebelius write that "Based on the most recent scientific evidence review, this document provides information and advice for choosing a healthy eating pattern—namely, one that focuses on nutrient-dense foods . . . ." We believe that is exactly what the DGA is supposed to do and expect that the information and advice contained therein to be incorporated into the WIC program. The 2010 DGA recommends that people increase their consumption of a category of vegetables that includes fresh white potatoes. Additionally, the DGA recommends that individuals "Choose foods that provide more potassium, [and] dietary fiber…", both of which are readily available in fresh white potatoes. Potatoes are cholesterol-free, fat-free, and sodium-free, and can be served in countless healthy ways. A medium baked potato contains 15 percent of the daily recommended value of dietary fiber, 27 percent of the daily recommended value for vitamin B6, and 28 percent of the daily recommended value of Vitamin C.

We urge you to revisit your decision based on this information and the clear direction of Congress.

Best Regards,

Mike Simpson
Member of Congress

Gregory Meeks
Member of Congress

Mark Amodei
Member of Congress

Dan Benishek
Member of Congress

Paul Broun
Member of Congress

Tim Bishop
Member of Congress

Earl Blumenauer
Member of Congress

Suzanne Bonamici
Member of Congress

Corrine Brown
Member of Congress

Chris Collins
Member of Congress

Gerry Connolly
Member of Congress

Kevin Cramer
Member of Congress

Steve Daines
Member of Congress

Peter DeFazio
Member of Congress

Jaime Herrera Beutler

Jaime Herrera Beutler
Member of Congress

Walter B. Jones

Walter B. Jones
Member of Congress

Doug Lamborn

Doug Lamborn
Member of Congress

Tom Latham

Tom Latham
Member of Congress

Cathy McMorris Rodgers

Cathy McMorris Rodgers
Member of Congress

Randy Neugebauer
Member of Congress

Alan Nunnelee

Alan Nunnelee
Member of Congress

Bill Huizenga

Bill Huizenga
Member of Congress

Raúl R. Labrador

Raul Labrador
Member of Congress

Doug LaMalfa

Doug LaMalfa
Member of Congress

Frank LoBiondo
Member of Congress

Candice S. Miller

Candice Miller
Member of Congress

Kristi Noem

Kristi L. Noem
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Bill Owens
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Diana DeGette
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Ron Desantis
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Sean Duffy
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Suzan DelBene
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Mike McIntyre
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Scott R. Tipton
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Austin Scott
Member of Congress

Fred Upton
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David G. Valadao
Member of Congress

Tim Walberg
Member of Congress

Greg Walden
Member of Congress

Frank R. Wolf
Member of Congress

Tim Walz
Member of Congress

TED POE
Member of Congress

Member of Congress

Member of Congress

Member of Congress

RURAL DEVELOPMENT

Mr. VALADAO. Then switching gears a little bit, your budget highlights rural opportunities and speaks about the number of communities, families and businesses that have been helped by USDA Programs. We were all glad that the Rural Development has been able to help these communities and families. But I think the credit should lie with Congress, instead of the Department. The overall budget for Rural Development has been harder hit than any other areas in your budget.

If we enacted your proposal, far fewer communities, families and businesses would be helped. Take the Water and Waste Disposal account, for example. You have proposed for fiscal year 2015 appropriation of $304 million, which is a 52 percent reduction from the levels Congress appropriated in fiscal year 2014. You also proposed $304 million in 2014.

It was hard for businesses to retain jobs or expand without access to clean and affordable water. How does a 52 percent reduction for a program that provides crucial infrastructure and where there is pretty wide bipartisan support help rural communities?

Secretary VILSACK. Well, Congressman, I think it is important to point out that we are dealing in the context of this budget in terms of sequester and budget reductions and overall caps that we have to live within. Fifty percent of the discretionary part of our budget is in four categories: it is in the WIC Program; it is in fire suppression; it is in rental assistance; and it is in food safety. Fifty percent of our budget.

When sequester comes, when budget caps are imposed, it is very difficult, if not impossible, to apply those reductions in that 50 percent category. Very difficult. In most cases, those items are increased. In many cases, they are increased. Certainly that is true of fire suppression, and it is certainly true of the WIC Program. So that means the other 50 percent of our budget disproportionately shares in the reductions.

Now, as it relates to the water and wastewater system, part of the reason why there is a need for less money is in the grant program. The grant program, as you probably know, is designed, was designed to buy down interest rates on these projects. Interest rates are pretty doggone low right now, so there is not quite the need as there once was. There is also, I think, an important necessity for us to focus on particular sized facilities. So we are faced with some difficult challenges and difficult choices. And that is the reason why that number is what it is.

RURAL HOUSING PROGRAMS

Mr. VALADAO. Okay. And I also want to associate myself with the remarks of the Chairman for his concern for the cuts of the Section 502 Direct Loan Program and Self-Help Housing Program. This past summer, I spent a few days out in Lamont, California, south of Bakersfield, with some families that were actually building their own homes with the help of these low interest loans.

It is obviously an amazing program because people actually take the time, families get together, they build a community, they build their home. I mean, when you see a community get together like

that and work together on each other's homes, gain talent, pride in ownership, some pride in their own efforts and actually learn new talents from this or new skills, it is a beneficial program.

And this program obviously took the same type of hit. This program saw a cut from $900 million down to $360 million, so over a 50 percent cut, and it is something that I am disappointed with. I was wondering what your rationale was for cutting these programs.

Secretary VILSACK. Sure. Well, first of all, I want to be clear about this. In terms of the Direct Loan Program, we are not cutting that program in terms of the budget authority; we are actually increasing it. But the cost, the subsidization and the cost of borrowing, the subsidy rate for that program went from a little over 2 percent to over 7 percent in a single year. So the reality is that more money buys less. And it is not that we want to buy less; it is a fact of the marketplace.

Secondly, Congress, a number of years ago, changed the way in which it funded rental assistance. In the past, you all funded rental assistance projects as they came on board and fully funded them in the year that they were created. Over the course of the last 15 years or so, you have changed that dynamic so that every year, we have additional units that come into our budget that are expiring under their first and existing contract. It might be a 15-year contract. It might be a 10-year contract. It might be a 5-year contract. Now it is a single-year contract.

So, in this budget, we have 11,000 additional rental units that we have to finance, which results in a need for increased focus on the 285,000 families who are receiving rental assistance. So, you know, if you want to, you know, not have a cap, fine. If you want to look at other aspects of the budget, if you want to reduce fire suppression and put 45 million homes at greater risk, okay. If you want to reduce WIC and the 8.7 million women, infants and children who benefit from that program, fine.

But the realities of our budget are that there are difficult decisions to make. But I want to make sure it is clear: We have no control over the subsidy rates on these interest loan programs. When interest rates go up or when buyer and borrowers' incomes are down, it makes it much more costly to fund these programs.

Mr. VALADAO. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. Pingree.

SENIOR FARMERS' MARKET NUTRITION PROGRAM

Ms. PINGREE. Thank you, Mr. Chair.

Thank you, Mr. Secretary, for being with us here this morning, for the great work that you do and handling so many diverse and not always easy questions. I have plenty. But I actually think my first question is very simple.

I want to talk a little bit about the Farm Bill implementation, and I am going to use the specific example of the Maine Senior FarmShare. So, back in Maine, we are hearing from a lot of people, farmers and consumers alike, who are worried about the timeline for implementation of Farm Bill programs, particularly those pro-

grams that were left stranded without full funding after the last Farm Bill expired in 2012.

There is a lot of anxiety in my home State about when the funding will be released and what changes they should expect. So I was a little concerned just recently to see this newspaper headline from Maine, it says, "Delay Threatens Farm Program for Maine Seniors". The USDA has not yet provided a timeline for implementation of the Senior Farmers' Market Nutrition Program, which funds Maine Senior FarmShare. Seniors and farmers are receiving mixed messages about whether funding will be released this year at all. The State's website currently states that we must wait for guidance from the USDA regarding what will be required of State agencies to operate in 2014 and when we will be authorized to proceed. Our 2014 grant amount is also unknown; therefore, the FarmShare season is delayed this year.

In my opinion, a delay in the FarmShare program is especially harmful because this is the time of year when farmers are planning for their upcoming growing season. They need to know how many seniors will be signing up for farm shares, and this article notes that until the USDA releases funding, Maine can't allow their farmers to apply for the program.

Now, we only have a million people in our State, but last year, there were 17,000 Maine seniors who were able to take advantage of this program, buying food from 118 farmers. So far, they are in the dark. So do you think that USDA can get the money out the door in time to help Maine farmers plan and to guarantee that we will have the program this year?

Secretary VILSACK. Right. We have been waiting for the apportionment of those funds from Office of Management and Budget (OMB), and we expect and anticipate within the next of couple weeks we will have that completed, so that should alleviate the concerns that you have expressed.

Ms. PINGREE. Great. So I can tell people that there is a very strong likelihood that this program will be operating this year?

Secretary VILSACK. Yes.

POULTRY SLAUGHTER MODERNIZATION

Ms. PINGREE. Great. Okay. That was easy.

So I want to reiterate a little bit of what Congresswoman DeLauro already said to you. I have some of the same concerns, and I want to thank her for advocacy on the poultry slaughter rule. I have a lot of concerns, and I appreciate the many answers you gave, and I am actually going to take a little different tack with this.

But I do think there will be a negative impact because of the poultry slaughter rule. I think it will have a negative impact on food safety, worker safety, and animal welfare. And according to OSHA statistics, poultry slaughter house workers have consistently suffered injuries and illnesses at a rate that is more than twice the national average, and because the line speed could increase up to 175 birds per minute, I think it is hard to say that that won't continue happening.

SMALL PLANTS OUTREACH

But here is a little bit of a different tack. So since you are currently proposing a rule that allows the industry to police itself and potentially get even bigger slaughter houses, I want to say that there are many American consumers that are looking for something slightly different when it comes to meat. According to the USDA's Economic Research Service, per capita meat consumption is declining, but demand for beef produced in a certified organic, natural, grass-fed system is actually growing at a rate of 20 percent per year.

At the same time, small producers are struggling to meet the demand of consumers, citing the lack of access to slaughter and processing facilities as their main challenge to entering the market. I know in my home State of Maine, and this is true in much of New England and the Northeast, farmers often have to travel several hours with their animals to reach a slaughterhouse that has the capability and certification to slaughter their animals. So, in my opinion, the demand is there. And the USDA needs to do more on this side to support the infrastructure that connects livestock producers with consumers.

Your budget justifications for FSIS on page 40 talk about outreach and technical assistance to small and very small processing plants. Could you provide me with information on what your total budget was in fiscal year 2014 for this activity?

Secretary VILSACK. While we are getting you that number, if I can amplify on what that resource buys. We basically are focused on the 90 percent of the 6,400 plants that we consider to be small that are under our jurisdiction. We have a small plant help desk that has a hot line that folks can call with any questions that they might have. There are training materials and educational materials that are produced. There is a small plant newsletter that goes out on a regular basis. And we provide direct help to State agencies in terms of working conditions.

I would also point out that this Administration has been encouraging mobile slaughter units to be able to address the issue of distance between processing facilities. We stand ready to continue, as part of the Know Your Farmer initiative, to help engage in that. And we have also been encouraging folks to take better advantage and more advantage of the interstate meat rule that basically allows for an opportunity for State-assisted review.

So there is a multitude of steps that we are taking. Let me see if I can get you the specific number.

[The information follows:]

SMALL AND VERY SMALL PLANTS

FSIS spent $6.04 million in FY 2013 and plans to spend $6.24 million in FY 2014 and FY 2015 on activities in support of small and very small plants. Of the FY 2014 total, approximately $2.13 million is for developing plain language compliance guides, $2.86 million is for supporting AskFSIS technical inquiries, and $1.25 million is for outreach activities which FSIS offers in a wide variety of technical resources in the form of brochures, pamphlets, CDs and DVDs to small and very small plant owners and operators. Many of these helpful resources are available online, or they can be ordered in hard copy, free of charge. In FY 2013, FSIS reached over 70,400 individuals interested in small and very small slaughter and processing plants.

LOCAL AND REGIONAL FOOD SYSTEMS

Ms. PINGREE. I will give you one more piece of information. You can follow up with the information.

So I just want to say, I submitted a bill, you may remember, that was called the Local Food, Farms and Jobs Act. And one of the things that we called for, although this language wasn't included in the 2014 Farm Bill, was an advisory group to help develop guidance on food safety requirements, process controls and pathogen prevention in small processing plants. We also suggested that the USDA work with an advisory group to develop a report and set of recommendations on steps that can be taken to assist small processors.

The previous report, which was published in 2006, is now 8 years old. So I am asking or suggesting that, under existing authorities, could you explore moving these two pieces forward as part of your effort to invest in local and regional food systems? And could you use some of the research and technical assistance funding that is in the FSIS budget to move forward on either an advisory group or an update of that report?

Secretary VILSACK. Those are fair questions and fair requests, and we certainly should take them into serious consideration. You know, I think it is important to note that we have been engaged and involved in terms of market development in a very significant way. Our view is that in order to help these smaller and midsize producers, we have got to create more market opportunity, which is why we have been involved in expanding a number of farmers' markets and food hubs. We will continue to focus on that, as well.

Ms. PINGREE. Let me just reinforce, I know my time is up, but I do appreciate all the work you have done with Know Your Farmer, Know Your Food, and I do think that you have done a lot of work to help expand this market. And I would say, this market is growing very fast, in spite of whatever everyone has done. There is just a huge interest. And often, it is the inability of the producer to meet the demands of the market. So——

Mr. ADERHOLT. Mr. Fortenberry.

OPENING STATEMENT—MR. FORTENBERRY

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Mr. Secretary, welcome. Nice to see you again. First of all, I want to thank you for coming to Nebraska and speaking at the Rural Future's Conference. I thought you did an outstanding job of laying down a vision for agriculture, retelling the great American agriculture story and being overall a very good Ambassador for our message. I really was grateful for your attendance there.

I have three points I would like to make with you. The first one being, I very much appreciated what you began with talking about how 40,000 new farmers and disadvantaged farmers will come into our system, our agricultural family through the efforts of this Farm Bill. I worked on some components of that.

But I do want to return to the point that Mr. Bishop raised earlier regarding payment limitations and closing loopholes. In the Farm Bill, I had offered an amendment on the House side that put stricter payment limitations in place and to help what we thought

was going to help you with actively engaged rules. The Senate did the same thing. The Conference Committee saw fit to take that out in what I believe to be a distortion of the process. I very vehemently disagreed with that.

I thought this was a good agricultural reform measure. It passed on a bipartisan basis, but we lost. The residue of what is left, though, again, gives you the authority to define actively engaged. There is a General Accountability Office report out, farm in the Midwest received $400,000 of payments in 2012, organized as a general partnership with 6 corporations and 11 individual members, two of whom apparently lived in South Florida and one was 88-years old.

Now, this type of thing gives a black eye to agriculture overall. These exotic financial arrangements, these legal loopholes that are leveraged, when we are in the time of declining budgets and the need to be very, very aware of the impact that our programs have, not only in terms of budgets but in terms of perception, we have to do a very robust job here of thoroughly going through this process and ensuring that, again, deserving farmers who are a part of the agriculture community and not simply passive investors are receiving payments.

I am worried because 10 percent of farmers receive 70 percent of the payments. And when you have a situation like that, we and you may be inadvertently underwriting the concentration of land into fewer and fewer hands and undermining what we are doing on the other side of the Department, which is so important, of trying to bring new people into agriculture. So I am very concerned about this and I would like to hear your response.

The second issue is regarding adverse wage rates. This might be a little bit out of your purview, but in Nebraska, it is $13.41. I have two small farmers who came into my office who are trying to use the H–2A Program, doing this legally. They are getting pushed out of the market because this wage rate is so bizarrely high where we are. It is $12.22 in Iowa; $10.89 in Colorado; $11 in California.

Now, the Department of Labor, you apparently shopped this out through the Department of Labor, but we have got a peculiar grouping of States here that is driving up this wage rate and potentially, again, pushing small farmers who are trying to be entrepreneurial and using, again, diverse and traditional means of farming production that we are encouraging in the rest of the Bill, they are being pushed out of these marketplaces.

And the third issue is regarding the drought mitigation. Very important to us in Nebraska. Will this be the year where we see, through the Office of the Chief Economist, competitive Federal funding for drought mitigation research?

ACTIVE PERSONAL MANAGEMENT

Secretary VILSACK. Well, first of all, Congressman, I made a mistake in responding to Congressman Bishop's question; I really should have had you respond to him about actively engaged. I mean, honestly, I think that is the nub. I think Congress has given us, as I said, a very narrow range of options to look at because of the fairly broad definition of family farming operation. Fair enough.

You have raised concerns about situations where the rules have been stretched and creatively utilized, and I think our task is to take a look at what makes sense and what doesn't in the real world and basically provide credibility and legitimacy to whatever support system we have.

This support system is important for farmers, as you know, and we can talk about what percents gets what percent, but I think it is important for all of us to explain to our friends in urban and suburban America that support systems are designed to reduce the risk of farming.

Farming is an extraordinarily difficult and risky business from a financial perspective, because you have no impact on mother nature and you have no impact on some foreign country doing something that creates market havoc. And we enjoy food security in this country and an affordability in food, in part because we have reduced the risk and we keep people in the farming business. So we obviously want a program that people believe in. So we will work very hard to try to do the right thing in this area of actively engaged.

Mr. FORTENBERRY. All of this is being said in the spirit of being a very strong supporter of a farm support payment system to mitigate the ups and downs of vagaries in the market, to be able to give farmers control that they used to not have. But when you have gotten to a size where you can potentially graduate from that need of public support or you are working around it, it is a concern.

Secretary VILSACK. I am not disagreeing. Should I respond——

Mr. ADERHOLT. Just briefly, if you could just respond before we go to Mr. Yoder.

ADVERSE WAGE RATES

Secretary VILSACK. You know, my response, and it is an honest one, to the adverse wage rate issue is to fix the system and that would help; I think, comprehensive immigration reform and the new opportunities for USDA to be engaged in that process in establishing wage levels would be the solution for the concerns that you have raised in the long term.

DROUGHT MITIGATION

And on drought mitigation, you know, we are supporting the drought mitigation folks in Nebraska. They do good work in terms of the monitor. We will continue to focus on ways in which we can provide additional resources. We just announced a $30 million competitive grant program on water that is available to folks. So we are going to continue to be very much engaged in this space.

Mr. ADERHOLT. Mr. Yoder.

SNAP FARM BILL SAVINGS

Mr. YODER. Thank you, Mr. Chairman.

Mr. Secretary, thanks for coming to the Committee today. I represent Kansas, obviously a big farm-producing State, a lot of wheat farmers, a lot of livestock. And so your role in looking out for Kansas farmers and consumers and everyone across the State is very important to me, as I am sure all of the members in the Committee in terms of their States, as well, and across the whole country.

I have a question following up on a discussion regarding the Farm Bill compromise that ultimately passed the House and Senate. I know you were involved in helping ensure that we have a long-term bill that creates certainty for farmers, predictability, that responds to the needs, crop insurance and other programs. There is a lot of things to like about the Bill. There is a lot of things to not like about it, as well.

One of the probably more distressing portions of the bill was the balance that ultimately came out of the bill in terms of reductions in different parts of the bill. This committee has longstanding support for farmers. It has longstanding support for people who are hungry and in need. We work to ensure we feed people on this Committee, and we also take care of the family farmer.

You know, when the bill came forward, it had a sort of compromise in which 1 percent of the reductions came out of a Food Stamp Program and about 7 percent of reductions came out of commodity programs that help farmers. Some people thought that was a little lopsided. I was one of those folks. But that was what ultimately came out as a compromise in this Congress. It was looked at as the balance, and people were looking for the parties to work together and find a balance, and that was it, apparently.

Yet, now we see that that hard-fought compromise may not actually come to fruition. An NPR article this week says, quote, "When Congress passed the farm bill earlier this year, it expected to save $8.6 billion over 10 years by tightening a loophole in the Food Stamp or SNAP Program, but it is not going to happen."

So what was already maybe a lopsided compromise is now not even going to happen. I think what most people in this country want to ensure is that if you qualify for food stamps, you get food stamps. And if you don't qualify, you don't qualify. There was an effort by Congress to fix what some call a loophole. Many people supported it.

I guess my question for you would be, were you aware when that bill was going forward that those savings wouldn't actually materialize on the SNAP Program? And what can you do in your role as Secretary to ensure the intent of Congress to find savings in that program actually occur?

Secretary VILSACK. First of all, I really did not consider or think about what individual States, Governors and State legislators would do in response to the Farm Bill passage. I was focused on getting the bill passed and trying to figure out a compromise, particularly in the dairy piece that was the major stumbling block. So no idea. There was no indication one way or the other.

And frankly, as a former Governor and as a former State Senator, I respect, obviously, the role of both State legislators and Governors to make decisions about their resources in what they believe to be in the best interest of their folks.

Now, I have always said, when there was a discussion about this issue, I have always said that the right way from my perspective to reduce the SNAP numbers, both in terms of numbers of people and in terms of dollars, is to try to find ways in which we can better link the job opportunities that are being created in States and the folks who are on SNAP who are looking and are capable of working.

One of the exciting opportunities I think this bill, Farm Bill presents, is the ability to really dig down with States to do a much better job of creating that link. It is hard for me to understand why State workforce development offices aren't doing a better job of communicating with State human service offices, because they know where the jobs are and they know who the SNAP beneficiaries are. There ought to be a way in which we can better connect those two things, and if we do, we are going to see significant reductions in the number of people needing SNAP and the cost of that program.

Mr. YODER. Mr. Secretary, I think there is broad bipartisan support for that, and I think everyone on the Committee would concur that finding opportunities for people to go to work is certainly the best way to bring people out of poverty or bring people out of programs that are helping feed people.

But I guess my question really gets back to this compromise, some call it that, some see it as lopsided, isn't really even going to be achieved. And so, I guess, what part of that $8.6 billion that Democrats and Republicans supported as this sort of "let's all work together to find a solution" that now half of that solution is no longer going to happen. Do you know what portion of that will actually occur? Will any of the $8.6 billion be saved?

Secretary VILSACK. People are still making decisions in their respective States that are impacted by the LIHEAP decision. I think there are 17 States that are affected. Not all 17 States have made a decision. So I think it is a little early to determine exactly what that savings is going to be.

Our focus, again, is going to be on two areas that we do control at USDA: One is working on those pilots, which we have talked about; and the other is, which the Chair has brought up is, the issue of integrity. And we, I think, conducting 733,000 investigations, interviews last year that disqualified 42,000 folks who were trying to take advantage of the system is an indication that we are serious about that; 1,200 businesses that were taking advantage of the program are no longer involved in the program. We are serious about it.

The additional resources we are asking for in this budget will allow us to do more of that. And I think the Farm Bill discussion of redefining what entities are entitled to participate in the SNAP program in terms of the depth of their offerings in the store, they have got to do a better job of offering more of the basic food groups, will also, I think, substantially reduce the amount of misuse of this program.

So those are two critical ways, I think, where we control the ability to reduce the amount, without disqualifying people that would otherwise be qualified for the program.

Mr. YODER. Right. And I certainly appreciate those efforts, I think many in Congress do. I think the intent of the Bill was to ensure that you had to qualify for food stamps to receive them and to sort of close that loophole. And Democrats and Republicans both supported that, and I would just hope that you would do all you can to ensure the Congressional intent is followed in the administration of that program.

I yield back my time. Thank you, Mr. Chairman.

FARM BILL IMPLEMENTATION

Mr. ADERHOLT. Mr. Secretary, a couple of the members of the Subcommittee have mentioned the Farm Bill. Of course, everyone is very happy that follows agriculture and probably most people are involved in agriculture one way or the other in this Nation, whether directly or indirectly. But you have the challenge now to implement this Farm Bill. What do you see from your standpoint as the priority programs that need to be implemented first?

Secretary VILSACK. Well, the first program that is going to be implemented is the Disaster Assistance for Livestock Producers. These folks have struggled through 2 difficult years. The disaster assistance in the 2008 Farm Bill expired, and therefore, we were not in a position to provide financial help and assistance. And we know that that has put a great strain on particularly small- and midsized operators.

So we will, prior to April 15, roll out the disaster assistance programs, allowing people to apply for resources and for assistance. That will be followed by a series of efforts throughout 2014 in terms of the safety net programs, the crop insurance changes, the rural development programs that are important to people and the nutrition programs that we have access to. I think you will see a significant amount of activity in 2014.

What I have done, Mr. Chairman, is I have instructed our team at USDA to look at each title of the Farm Bill, to prioritize specifically what needs to be done, first, second, third, fourth and fifth. We have a convening group that oversees and looks at all of the Titles and has prioritized activities.

And we will be very much engaged in outreach and education during the months between now and, say, fall in terms of these safety net programs to make sure that farmers know precisely what the programs are going to look like, what their elections and options are, what decisions they have to make and the information they need to make those decisions.

We are in the process of determining which land grant universities will provide the resources, the new educational training resources, the $3 million that is allocated for that purpose. So you are going to see quite a bit of activity throughout the year.

STANDARDS FOR SNACK FOODS

Mr. ADERHOLT. In your testimony you talk about the new standards for snack foods and schools that preserve flexibility for activities like fundraisers or bake sales. You mentioned those in particular. Would that also include like when a mom wants to bring cupcakes for a birthday party?

Secretary VILSACK. Yes.

Mr. ADERHOLT. That would include that? Okay.

Secretary VILSACK. Yes, we are not going to stop mom or dad from bringing cupcakes.

Ms. DELAURO. Or the grandfathers.

Secretary VILSACK. Absolutely.

LOCAL SCHOOL WELLNESS POLICY

Mr. ADERHOLT. USDA recently proposed a rule requiring that schools establish a local school wellness policy. It states that the

policy must also address standards for other foods and beverages available on campus. These would include policies such as those governing classroom parties or school celebrations that involve food. There seems to be a little bit of a conflict with this when we talk about time-honored traditions. Maybe USDA is not setting the standards regarding that, but it seems to be mandating that schools do set a policy. Is that what the intent is?

Secretary VILSACK. The wellness program has been in existence for some time, and this was just a continuation of that program. And I think primarily what we were attempting to do in what we announced was to suggest and to focus on the marketing of certain food products to students during the school day, the theory being that if we are trying to change the mix of what is in a vending machine or in the a la carte line that we don't want to send an inconsistent message by allowing marketing of those other products during the school day. And so we were attempting to provide consistency in terms of the message.

We want healthy snacks to be easy, the easy choice, but we don't want to necessarily restrict the ability of school districts after school hours. We don't want to have them to take down the scoreboard that is advertising a particular type of soft drink at this point in time, but we would like them to be conscious of the need to be consistent in messaging.

Mr. ADERHOLT. So again, if I am understanding right, if a school in some way interpreted this to be that a mom or dad can't bring the cupcakes, this has——

Secretary VILSACK. That is not the intent.

Mr. ADERHOLT [continuing]. Has no bearing whatsoever.

Secretary VILSACK. No, I think it is primarily the vending machines that schools operate and the a la carte lines that are available for school meals to make sure that there is a consistent message with the nutrition efforts.

Mr. ADERHOLT. Because I think there is some confusion. I can tell you there are a lot of moms out there that have, you know, the idea about their bringing chocolate cupcakes to their second-year-old's party at school, and the Federal Government telling them or USDA telling them they couldn't do that. So I am glad to hear that that is a signal that they are fine with doing that and USDA has no problem whatsoever with trying to tell them to intervene whatsoever.

Secretary VILSACK. As a consistent and constant consumer of cupcakes, I can tell you that that is not the intent.

Mr. ADERHOLT. Thank you. Thank you, Mr. Secretary.

At this time I am going to recognize Ms. DeLauro. Mr. Farr is kind enough to defer.

So Ms. DeLauro.

CROP INSURANCE PROGRAM

Ms. DELAURO. Thank you very much, Mr. Chairman.

And particularly, thank you to you, Mr. Farr.

To my colleague Mr. Yoder, the Farm Bill historically has been looked at as a safety net for both farming and for nutrition. And quite honestly, that this was really the renting of that historic and bipartisan safety net, and I will tell you why in this regard. You

see, the farming and ranching community was in the Farm Bill, when you talked about the cut in direct payments. Then what occurred was an increase in crop insurance opportunities. And then secondly, there was instituted something called shallow loss protection to deal with commodities.

Now, so there are places in the Farm Bill where farmers, ranchers can go to make sure that the safety net isn't rented. With regard to the food stamp beneficiaries, they have nowhere else to go. Nowhere else to go. When you cut 1.7 million people and you say that we are going to cut your food stamp benefit by $90 a month, they can't deal with shallow loss. They are not dealing with crop insurance. So this was a false construct in this Farm Bill.

Let me just ask, and I will do this for the record, Mr. Secretary, because I want to ask something else. This has to do with the crop insurance program. And I have seen the articles that have come out about cheating and skirting, et cetera. I believe that we ought to apply those terms and take a hard look at the crop insurance program. And let me lay out the questions, and we will get them to you.

Do you expect the reforms—and I applaud you for the reforms that you have come forward with—do you expect the reforms to reduce producer enrollment in the program or the companies that offer crop insurance policies? Who receives crop insurance premium subsidies? What percentage of crop insurance premium subsidies went to the largest 1 percent of agribusinesses? Can you talk about the projection for the cost of crop insurance in 2014 based on weather and agriculture? Are we in fact going to reduce enrollment and payments? And particularly, who gets these subsidies? And we both know that 26 individuals who get at least $1 million in a premium subsidy are protected statutorily from us and taxpayers knowing who they are.

So I will get the questions to you, and I would love to have your response as soon as possible.

POULTRY SLAUGHTER MODERNIZATION

Let me go back to the poultry rule, if I can for a second. It was brought to my attention, and one of your comments was about the last time we did chicken inspections. But the fact of the matter is beef slaughter inspection has not changed in an even longer period of time. But no HIMP pilot in beef occurred because there were no industry takers to do the pilot.

Now, in the area of performance standards on microbial standards, it is now voluntary for the producer. Why can't we move to required standards on microbial testing instead of voluntary? One question I want to deal with, and I will ask the second one because my time is going to run out, and I am conscious of that.

But recently, the Center for the—anyway, CSPI, I have forgotten the—Science in the Public Interest, thank you. Why does USDA refuse to consider the multiple resistant salmonella as an adulterant the same way we do as E. coli 0157:H7. And you have got a $25 million per year program over 5 years to create an innovation center to study antibiotic resistance. I would like at some point, if you can, and maybe for the record, because there isn't time now, to let us know about the petition that CSPI put together and

the questions that they have asked. And if we could get an answer to those questions. Voluntary versus——

Secretary VILSACK. Actually, I think to a certain extent the questions are in a sense one and the same in this respect. There is a difference between our jurisdiction and capacity relative to beef and E. coli and relative to poultry and salmonella. And it is based on case law in which we attempted to do what you are asking us to do relative to salmonella and adulterants, and we were basically told by the court that we did not have the authority or the jurisdiction to do that. So as a result, we have been looking at ways in which we can improve efforts at reducing salmonella. We have initiated salmonella performance standards that are enhanced, and for the first time Campylobacter standards.

We are proposing to enhance our sampling to intensify testing and to potentially post facilities that have inadequate results from these tests. And, as you point out, we are trying to have an innovation institute that really focuses on this issue.

Ms. DELAURO. But we can't require microbial standards to be——

Secretary VILSACK. I have been told——

Ms. DELAURO [continuing]. You have performance standards. They are going to come up with their own performance standards that may or may not coincide with your performance standards.

Secretary VILSACK. We have performance standards in which we essentially say there are certain levels of—the reality of the biology of food production is that there are certain levels that can't be avoided and have to be dealt with in other ways. We have been very aggressive on E. coli because we believe we have the jurisdictional power to do that. We have been able to, for example, expand the number of adulterants within E. coli non-O157 STECs. We have been focused on beef trim and all those things. So I think a lot of this has to do with how courts have perceived our jurisdiction and our power.

Ms. DELAURO. Have you asked for the authority? Can you ask for the authority? Ask us for the authority.

Secretary VILSACK. Well, we have attempted to exercise the authority, and courts have basically told us, "Can't do it."

Ms. DELAURO. Ask us for the authority. I am serious. Supreme Court just, you know, dealt with Ledbetter, et cetera. We turned that around in the Congress. Vance v. Ball State. We have legislation here, we can deal with these issues. Ask for the authority.

Thank you, Mr. Chairman.

Thank you, Mr. Farr.

Thank you, Mr. Secretary.

Mr. ADERHOLT. Mr. Yoder.

LESSER PRAIRIE CHICKENS

Mr. YODER. Thank you, Mr. Chairman.

Mr. Secretary, just to maybe return to the points that my good colleague from Connecticut raised, I think the point of our dialogue was that there was a compromise that was struck in the Bill that would reduce commodity programs for farmers by 7 percent and reduce the SNAP program by 1 percent. Some people thought that was lopsided. And my only point, sir, that I am trying to make to

drive that home is that at least the 1 percent that was out of the SNAP program that is merely an agreed-to point, that people who don't qualify for food stamps are getting food stamps, should be fixed. And it would save $8 billion, and that was the agreement. So we will leave that the way it is.

And I would also say, I guess, that support of farmers and support of the agriculture community is a longstanding tradition of this Congress and this country. And without a healthy, vibrant agriculture community, without healthy, vibrant farmers there is no food in the grocery store for people to buy or for SNAP beneficiaries to purchase. And so I think we need to be mindful that the 7 percent reduction, I think it would be hard to find other portions of budgets in any Committee that have been reduced in that significance. I think farmers have been pretty noble in this debate, in being willing to give up payments at a time in which we don't know what the future of agriculture brings in terms of the economy going forward. And it could be some tough times. We have all lived through tough times in farming, and we have got to ensure that we have long-term policy that ensures we have a vibrant agriculture community.

Now, I have a couple I guess unrelated questions to that topic. I want to ask you a little bit about the lesser prairie chicken. And I would like to ask you a little bit about the partial irrigation ability to use crop insurance. Clearly, farmers deal with a lot of EPA regulations, they deal with a lot of bureaucracy and mandates and things that drive up the cost of doing business, that make food more expensive in the grocery store, that makes it harder on this country to have an affordable food supply and have a farming community that is successful and produces affordable food.

One particular area that is troubling a lot of Kansas farmers is that the Fish and Wildlife Service is preparing to issue a ruling on the endangered species status of the lesser prairie chicken on or before March 31. As you know, this ruling will impact a large portion of western and southern Kansans. I am concerned about the impact it may have on farmers, and particularly those that participate in the Conservation Reserve Program (CRP).

Has your Department been coordinating with the Fish and Wildlife Service on this determination? Is there anything we can do to lessen the cost and burden and expense that may occur if this is listed? And will folks who enrolled in CRP after March 31, will they still be able to take up those contracts?

Secretary VILSACK. We have been very much engaged in discussing with the Fish and Wildlife Service issues relating to not just the lesser prairie chicken, but sage grouse and a number of other potentially endangered species that could potentially be listed. In fact, I think there are seven specific species that we are working with the Department of the Interior on.

One thing that we are attempting to do is to create what we refer to in our shop as regulatory certainty. The reality is the biggest concern that a lot of producers have is once they have taken certain steps, can they be assured that those steps are all they will be asked to do? So we have instituted a program with the Department of the Interior where we use our conservation resources and develop a suite of conservation practices.

And in exchange for embracing those conservation practices and using our cost-share programs, producers are guaranteed a certain level of certainty that if and when a particular species is listed, that they will have to do no further actions relative to that listing. We have done this in sage grouse, and it has been particularly effective. And we are currently doing this with, as I say, six other endangered species, including the lesser prairie chicken.

So we are going to continue to focus on ways in which we can provide assistance and help, hopefully to avoid the listing, if that occurs. And if the Department of the Interior makes a decision for it to be listed, to assist landowners with the costs and cost share of any steps that they need to take in order to protect themselves from that listing. We will do everything we can to educate our sister agency about the impact and try to do everything we can to mitigate its impact if and when it is listed.

Mr. YODER. And then what about the CRP program in terms of folks that are enrolled after March 31? Will they still be able to take up those contracts?

Secretary VILSACK. I don't know the answer to that question. If you would permit me——

Mr. YODER. If you can get back to us on that. We have had some constituents inquire into that.

Secretary VILSACK. We will certainly get back to you on that.

[The information follows:]

USDA—FARM SERVICE AGENCY CONSERVATION RESERVE PROGRAM (CRP)

FSA has been engaged in discussions with the U.S. Fish and Wildlife Service regarding regulatory predictability and coverage against the taking (e.g. harass, harm or kill) of a species unintentionally to an otherwise lawful agency activity for current and potential future CRP participants should the species be listed as threatened. A central tenet of FSA discussions with the U.S. Fish and Wildlife Service is the freedom of landowners and agricultural producers to voluntarily enter into and then exit the CRP after contract termination and return the former CRP land to agricultural production if landowners and producers are willing. The U.S. Fish and Wildlife Service has been very open and responsive to FSA concerns about the voluntary nature of CRP and the need for willing landowners to participate in the program without apprehension regarding potential future traditional farming and ranching opportunities once the land comes off the CRP contract. The U.S. Fish and Wildlife Service is cognizant that over 90 percent of the remaining lesser prairie chicken range is privately owned and that lesser prairie chicken conservation is entirely dependent on landowners meeting their own needs as well as those habitat needs of the lesser prairie chicken.

CRP should function basically the same as it currently does whether the species is listed or not. The only difference will be that conservation plans written by Natural Resources Conservation Service or Technical Service Providers for CRP participants will include additional conservation measures for those CRP acres in proximity to lesser prairie chicken, i.e. portions of 85 counties located in southeast Colorado, western Kansas, eastern New Mexico, western Oklahoma, and northwestern Texas. For new CRP contracts, this will mean establishing conservation covers of native species mixes and managing those covers on a periodic basis to retain or enhance wildlife benefit, specifically lesser prairie chicken habitat. FSA will utilize the same conservation practices as have been used for years in CRP, practices such as prescribed grazing, prescribed burning, and light disking. As appropriate, additional Federal cost share is available to compensate landowner costs to install these management activities. Permissive uses of CRP land are still present. The only compromise associated with lesser prairie chicken conservation is that conservation measures within identified lesser prairie chicken focal areas and connectivity zones will limit certain management activities and permissive uses to once in a three year period. The other common conservation measure for lesser prairie chicken is that management activities and certain permissive uses will be deferred outside of primary nesting and brood rearing season.

CROP INSURANCE PROGRAMS

Mr. YODER. And then another issue related to crop insurance. My understanding is the way crop insurance works is you can have an irrigated crop insurance program or a non-irrigated program. And just quickly, Mr. Chairman, can the Department look into a partially irrigated system? Because we have got farmers who are not fully irrigating because of drought or irrigation reduction programs. And so they are not qualifying for the irrigation program, but they are not really a dry land program either.

Secretary VILSACK. Currently, there are a small group of farmers that have individual written agreements providing that type of protection. Part of the problem has been that it has been very difficult to get the data that would allow us to have an overarching policy that would be actuarially sound and to be a legitimate insurance product. But with the experience that we are having with these individual agreements, we hope to be able to get to a point, and obviously when and if we get adequate foundation, we will obviously look at that. There is also within the Farm Bill an opportunity for us to take a look at irrigated and unirrigated policies.

Mr. YODER. Okay. Thank you.

Mr. ADERHOLT. Mr. Farr.

FOOD FOR PEACE

Mr. FARR. Thank you, Mr. Chairman.

I would like to shift to an issue on Food for Peace. I am a Returned Peace Corps Volunteer, and certainly interested in the Food for Peace program. I have seen, since the years that I served in the Peace Corps, a real shift in the world's ability to deal with food delivery. I mean, what we have essentially had is a feeding program to help impoverished areas, but it has been very awkward because we brought all the food from the United States on our flag carriers all the way to these foreign countries. And the new effort is to try to, as we are domestically, trying to empower host country nationals to develop their own ability to have a viable agrarian economy.

I recently got back with some Members of Congress from Ethiopia, which is one of the strongest countries in Africa, biggest and second most populated, and certainly strategically necessary for the world's security because of its position in the Horn of Africa. Ethiopia is a huge agrarian country. We have got a lot of programs there, including Peace Corps.

But what shocked me is we are still aiding, from all sources of Federal aid, about $800 million a year to that one country because they can't even feed themselves. A lot of that is food aid. And now you mentioned in your opening statement that you are asking authority to use up to 25 percent of the total account to increase the flexibility in emergency aid for a complex crisis, specifically within regional purchases and cash vouchers and cash transfers.

The budget justification states that this authority would allow USAID to reach up to 2 million more people in challenging emergency situations, such as we have seen with the internal and external displacement of people in Syria and Sudan. And I am just wondering if you could clarify for us how these increases in flexibility of Title II funds would allow you to reach more people.

Secretary VILSACK. Well, it is pretty simple, Congressman. It basically is less expensive when you do it in-country and you actually can get the relief to people a lot quicker. Under our current system, it can take anywhere from 10 to 14 additional weeks to get relief to people that are obviously in need immediately. And so we can substantially reduce the time and the cost with that 25 percent, which would in turn allow us to buy more food and get that food to people——

Mr. FARR. Is that triggered with ability to—I mean Ethiopia is struggling to be able to have better yields. Obviously, they are in the coffee business now, and Starbucks has done a great job of sort of helping them build their infrastructure to have an international coffee market, a coffee exchange. So are we working with these countries that we are distributing this food in so that they can build capacity?

Secretary VILSACK. There are two aspects to that question. One is, within the Food for Peace program there is roughly $270 million that is used for additional development to sort of mature the agriculture that exists in the country. And then our Feed the Future Initiative, which is an effort on the part of our Foreign Agricultural Service, essentially is helping to train tens of thousands of producers in Africa and in developing countries to be better farmers.

We don't see this as a competitive situation. We see this as complementing American agriculture. And the reason being that if you actually strengthen agriculture in developing countries, you create larger and larger middle classes. Those larger and larger middle classes are more interested in purchasing some of the high value-added products that we produce in this country. It creates market opportunity for us as well. So we think it is an appropriate way to use resources.

Mr. FARR. We had some resistance, obviously, by commodity groups and by flag shippers and unions and so on. Have you been able to, working with USAID, mitigate some of those concerns?

Secretary VILSACK. We have attempted with this proposal to be less dramatic than we were last year, which was essentially transferring jurisdiction and responsibility to USAID. We continue to try to engage our union friends and our shipping friends and our producers to make sure that they know that there is still going to be a substantial amount of quantity that is purchased in America, that is produced in America, that is shipped by Americans, and that hires organized labor folks to load it and to provide it. So our hope is that we have approached this a little bit more effectively this year than last year.

Mr. FARR. Well, I support it on one condition, and that is that you stay in charge of it. What happens with USAID, and that is in another Appropriations Committee, but that money gets into that 150 account, and it is all consumed by all the other competitors in that account. You would lose the ability to direct this money for the purpose which it is intended. So I applaud your effort to maintain control over it.

Secretary VILSACK. Well, I am assured of this job today. I don't know about tomorrow.

Mr. FARR. Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Bishop.

STRIKEFORCE INITIATIVE

Mr. BISHOP. Thank you very much.

Let me first go back to Mr. Fortenberry, who talked about his amendment in connection with our discussion about actively engaged. I just wanted to point out, I voted against Mr. Fortenberry's amendment because there is a difference between actively engaged, that issue, and payment limitations. Those are two separate issues. And I think the Conference Committee was probably more thoughtful and better informed in recognizing that different regions of the country, like in the southeast, have different needs with regard to the amount. I think it was a specific amount of payment limitations that was the problem, because in the southeast there are farmers who have multiple crops. And that definitely impacts when there is a lower payment limitation. I just wanted to point that out.

But I wanted to go back, Mr. Secretary, and I think last year you and I discussed what I think is one of the most creative initiatives undertaken under your tenure at the Department, and that is the StrikeForce initiative. The StrikeForce initiative, which was introduced in 2010, is just one of the tools that USDA is using to combat poverty by connecting local and State governments and community organizations on projects to promote economic development and job creation.

I would like to just put on your radar screen the 10–20–30 concept, which has been put out in connection with an overall attack on poverty, trying to assure that 10 percent of the resources can be utilized on communities that have had 20 percent sustained poverty over a 30-year period, using that as a metric for trying to allocate resources. But there are several counties in my district that have been targeted to participate in the StrikeForce initiative, and it has been viewed as a refreshing and a creative approach by the Department to reach out to communities who have in the past not benefited fully from the Department's programs.

Can you give us an update on where the program stands today and the key accomplishments so far and your vision for the future?

Secretary VILSACK. Congressman, thank you very much for asking the question about rural poverty, because I think it is an area that is often not talked about and discussed in this country. And, unfortunately, we see extraordinarily high and persistent poverty in rural America, higher than it is in other parts of this country, and it directly impacts children in a very serious way.

StrikeForce is now operating in 700 counties in 20 States and tribal areas. As a result of StrikeForce, we have seen increased participation in our farm loan programs. We have seen increased participation in our conservation programs. We have seen more housing opportunities created. And we have seen significant investments in community facilities. And we have also seen a marked increase in the number of summer feeding opportunities that exist in rural areas.

There is still a great deal of work to do. We have gone in a slightly different direction as it relates to your 10–20–30 program. We have what we refer to as the 20, 20, 2016 program, which is that 20 percent of our rural development resources would be invested in areas where there is a census tract of 20 percent poverty

or greater, and we want to reach that goal by 2016. As of today, I think we are somewhere in the neighborhood of 18.5 percent or so of our resources being invested in those areas, and I am confident we will get to the 20, 20 by 2016. After that, maybe we can then look at additional challenges.

This issue of rural poverty is part of a larger concern that I have. If I can have 30 seconds, Mr. Chairman. Three major factors about rural America. One, highest poverty rate in 25 years. Two, despite the fact that we have had job growth in this country in the last 4 years, little of it has actually been seen in rural areas. We are just holding our own. And three, for the first time in the history of this country we actually saw reduced numbers of people living in rural areas.

And part of it has to do with what is happening in agriculture and the disappearing middle of agriculture. We have an increased number of larger operations and we have the emergence of very small operations. And we have got to figure out additional ways in which we can provide market opportunities for those folks in the middle, which is back to the Congresswoman's questions about local and regional food systems. That is one strategy for doing that. We have to look at creative ways to use conservation, rural development resources, and the local and regional food system to create opportunities in order to keep our kids in those areas and to reverse some of those trends.

Mr. BISHOP. May I just ask one unrelated question?

Mr. ADERHOLT. Real quick.

FSA GEORGIA STATE DIRECTOR

Mr. BISHOP. Can you give us some idea, for the FSA Director's position that is vacant in Georgia, of when we can expect to get a Director? It has been vacant for some time.

Secretary VILSACK. Congressman, I don't know the answer to that question specifically, but we will get you an answer by the end of today.

[CLERK'S NOTE.—Subsequent to the hearing the information was provided directly to Congressman Bishop.]

Mr. BISHOP. Thank you.

Mr. ADERHOLT. Ms. Pingree.

GENETICALLY MODIFIED FOODS

Ms. PINGREE. Thank you very much, Mr. Chair.

Thank you again, Mr. Secretary. You have put in a long morning and afternoon with us, and I won't drag out the pain too much longer. But I do concur, a lot of my colleagues have asked many of the things I wanted to talk about, so I appreciate their bringing so many things up. I just have one, and I am sure it is yet another one of your favorite topics. That is around genetically modified organisms (GMOs).

So reacting to the lack of action at the Federal level, I am sure you know that Maine just recently became the second State in the country to pass a law requiring the labeling of genetically modified ingredients in foods. Just as an aside, I would say this was a Republican-sponsored bill, passed by a Democratic legislature, and signed by a Republican governor. So this is one of those issues of

great concern in our State, and not necessarily partisan. And I think I can say that Maine and the country's call for action comes both from consumers who want to know what is in the food they are feeding their families, as well as farmers who are concerned about the contamination of their crops by genetically modified foods nearby, particularly given the increase in opportunities around certified organic products and the ability to sell them.

So could you just give me a quick update on the activities of AC21, your working group dedicated to tackling the issue of farmers growing genetically modified crops coexisting with traditional and organic farmers? And I will throw in two little questions, and you just can put it all together. Is there funding for AC21 in your APHIS budget? And has the Department been hearing the concerns of those farmers and consumers?

Secretary VILSACK. The Advisory Committee on Biotechnology and 21st Century Agriculture (AC21) committee was a balanced group of folks who were supportive of GMOs, folks who were conventional producers, and folks who are organic producers, and academic and professionals who were involved in all aspects of this. There were a couple of key areas and recommendations from AC21. One had to do with the need for us to take a look at our crop insurance programs to determine whether or not we could do a better job of providing opportunities for specialty crop producers, and particularly organic producers.

The result of that I think has been, number one, the elimination of the surcharge on organic products. Number two, an expansion of the number of products available. I think there are now over 350 policies that are sold for roughly 130 crops. And number three, better pricing of organic crop insurance in terms of price selection.

The challenge with organic is that it may be a result of a contract, it may not be a result of a market in the same way that basic commodities are. So we had to basically begin to make an adjustment of how we might be able to compensate folks for damage. That is one thing.

Secondly, there was deep concern about the importance of keeping and maintaining the quality of seed and the ability to regenerate should there be an event or incident. That prompted us to take a look at our own storage and seed bank capacity, to do a better job of maintaining, testing, and examining the seed banks to make sure that we continue to maintain adequate supplies and that they haven't been contaminated or impacted in any way.

Number three, you know, working on ways in which we can provide better information concerning stewardship responsibilities in terms of knowing what your neighbor is planting, knowing how what you may do may impact potentially your neighbor, and the high value-added opportunity that organic promotes and provides.

Number four, I think there was a concerted effort to increase our research budget and to make sure that our conservation resources were being made more available.

So there has been a concerted effort in AC21 to continue to focus on these issues.

The labeling issue is a challenging one, because historically our labeling has been for two reasons, either nutrition or because of a known hazard, or something that requires a warning. I think it is

fair to say that this isn't about nutrition, and at least from my perspective it is not about any kind of safety hazard. This is more about consumers' right to know.

Candidly, I think the debate is a 20th century debate in the 21st century. I think there are ways in which we could potentially use, there was mention of bar codes and other ways. Nestle's, for example, in Europe is currently using a Quick Response (QR) code. It could be something like a barcode that would allow folks with smart phones or the ability in grocery stores to have reading devices that would allow folks to have all the information they need and want about a product without necessarily creating a label that might send the wrong message about the safety of the product. We are engaged with the Food and Drug Administration (FDA) in discussions as to how we might be able to promote such a concept and idea.

So we are trying to be informative in this space. I think it would be difficult if we are going to end up with 50 different standards. That is going to create some serious challenges in the marketplace in terms of which States require what labels and what does the label look like and where does it go. And I am sure there is going to be litigation for quite some time. So I am trying to figure out is there a third way to do this, and I think technology may be the answer.

Ms. PINGREE. I am definitely out of time, but I am sure you and I will get a chance to follow up, and I will pursue this further. But thank you for your answers.

Mr. ADERHOLT. Thank you, Mr. Secretary, for spending the last 3 hours with us. We are glad to have you up here today, and also as well as Dr. Glauber and Mr. Young. Thank you for being here as well. We look forward to following up on some of these things that we discussed today.

And all the best to you at USDA.

And the Subcommittee is adjourned.

UNITED STATES DEPARTMENT OF AGRICULTURE
SECRETARY OF AGRICULTURE
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
MARCH 14, 2014

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

FARM BILL IMPLEMENTATION

Mr. Aderholt. Like everyone in agriculture, I am pleased that the farm bill was finalized earlier this year. USDA now has the challenging job of implementing it. Please provide a timeline and a summary of progress to date for implementing the various parts of the farm bill.

Response. To date, we've made important progress on every title of the Farm Bill including updates to risk management tools, modifications to farm loan programs, announcements regarding available funds for agricultural research, disaster relief to farmers and ranchers and much more. Information on progress and accomplishments is available on the Department's Farm Bill Implementation website:
http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=progress-2014-farm-bill.html

[The information is provided for the record:]

Farm Bill Implementation by Title:

TITLE I - Commodity Programs

Agriculture Risk Coverage Program and Price Loss Coverage Program:

- September 29, 2014 - February 27, 2015: Owners have a one-time opportunity to reallocate the farm's base acres or update yields.
- September 26, 2014: USDA published a final rule implementing the Agriculture Risk Coverage and Price Loss Coverage Programs.
- August 1, 2014: USDA Sent Acreage History and Yield Reports to Help Producers Prepare for New Farm Bill Programs (ARC and PLC).
- May 29, 2014: USDA Awarded $6 Million to Prepare Farmers for New Farm Bill Programs.
- April 29, 2014: USDA began competitive process to award funding for farm bill decision aids and outreach tools. Proposals were accepted through May 9, 2014.

Cotton Transition Payments:

- August 8, 2014: USDA published a final rule implementing the Cotton Transition Assistance Program.

- August 7, 2014: Cotton Transition Assistance Program Enrollment began.

Dairy Forward Pricing Program:

- March 21, 2014: USDA published a final rule that re-establishes the Dairy Forward Pricing Program.

Extension of Programs:

- March 28, 2014: FSA published a Federal Register notice for the extension of the following programs: (1) Marketing Assistance Loans; (2) Milk Income Loss Contract; (3) Dairy Indemnity Payment Program; (4) Non-Insured Crop Disaster Assistance Program; and (5) Sugar.

Loan Rates:

- June 24, 2014: USDA Announced Loan Rates for 2014-Crop Peanuts.

- March 28, 2014: USDA published a press release announcing county and regional loan rates.

Margin Protection Program:

- September 2, 2014: Enrollment for New Dairy Farm Risk Management Program began.

- August 29, 2014: USDA published a final rule implementing regulations for the Margin Protection Program for Dairy and the Dairy Product Donation Program.

Supplemental Agricultural Disaster Assistance:

- September 17, 2014: USDA announced additional support for citrus growers impacted by HLB/citrus greening.

- September 2, 2014: Livestock producers were urged to enroll in disaster assistance programs by October, 1.

- August 1, 2014: USDA Extended the Deadline for the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program.

- July 21, 2014: Disaster assistance for 2012 Frost or Freeze Fruit Crop Losses announced.

- July 9, 2014: USDA provided a 12-Week Progress Update on Disaster Assistance; Producers reminded of the approaching sign-up deadline for ELAP.

- June 23, 2014: USDA Announced new support for Beginning Farmers and Ranchers, including changes to disaster assistance programs to improve the financial security of new and beginning farmers and ranchers.

- April 15, 2014: USDA published a press release announcing the start of sign-up for farmers and ranchers disaster assistance programs restored by the Farm Bill.

- April 14, 2014: USDA published a final rule implementing specific requirements for the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program, Livestock Forage Disaster Program, Livestock Indemnity Program, Tree Assistance Program, and general provisions for Supplemental Agricultural Disaster Assistance Programs.

- April 7, 2014: USDA published a press release announcing the sign-up date for farmer and rancher disaster assistance programs. Sign-up began on April 15, 2014.

TITLE II - Conservation

Conservation Programs:

- September 15, 2014: Secretary Vilsack highlighted Innovative Conservation Grants during Midwest farm visit.

- September 8, 2014: USDA provided $328 million through the Agricultural Conservation Easement Program to conserve wetlands and farmland.

- August 7, 2014: USDA partnered with States and Tribes to Improve Public Access on Private Lands through the Voluntary Public Access and Habitat Incentive Program (VPA-HIP).

- August 4, 2014: New Regional Conservation Partnership Program received nearly 600 initial proposals by the July deadline.

- August 1, 2014: USDA published an interim rule implementing changes to NRCS conservation program regulations.

- July 22, 2014: USDA reminded producers that changes mandated through the 2014 Farm Bill require them to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026). The Farm Bill relinked highly erodible land conservation and wetland conservation compliance with eligibility for premium support paid under the federal crop insurance program.

- July 18, 2014: USDA announced $262 million in watershed rehabilitation funding to repair Dams in 26 States.

- July 2, 2014: USDA Invested $50 million in Red River Basin Conservation Effort to Minimize Flooding, Improve Water and Soil Quality, Help Waterfowl, Strengthen Agriculture and Outdoor Recreation Economies.

- June 23, 2014: Producers with expiring USDA Conservation Stewardship Program (CSP) contracts were given from July 11 until September 12,

2014 to renew contracts and add conservation activities that will support their natural resource improvement activities and fine-tune their conservation plans.

- June 20, 2014: USDA Announced it will provide up to $25.5 million of conservation investments over the next five to ten years as part of its contribution to delivering the federal, state and local 2012 Bi-State Action Plan, a conservation strategy that will benefit the sage-grouse population in Nevada and California.

- June 19, 2014: USDA pledged up to $5 million to state and local partnerships in six states for accelerating tree planting along the Chesapeake Bay watershed.

- June 4, 2014: USDA announced that farmers, ranchers and landowners committed to protecting and conserving environmentally sensitive land may sign up for the Conservation Reserve Program (CRP) beginning June 9. The Secretary also announced that retiring farmers enrolled in CRP could receive incentives to transfer a portion of their land to beginning, disadvantaged or veteran farmers through the Transition Incentives Program (TIP).

- May 27, 2014: USDA announces the Regional Conservation Partnership Program (RCPP), which streamlines conservation efforts by combining four programs (the Agricultural Water Enhancement Program, Cooperative Conservation Partnership Initiative, the Chesapeake Bay Watershed Initiative, and the Great Lakes Basin Program for Soil Erosion) into one. With participating partners investing along with the Department, USDA's $1.2 billion in funding over the life of the five-year program can leverage an additional $1.2 billion from partners for a total of $2.4 billion for conservation.

- May 1, 2014: USDA_began accepting applications for the Agricultural Conservation Easements Program (ACEP) and the Voluntary Public Access and Habitat Incentive Program (VPA-HIP).

- May 1, 2014: Applications are being accepted for the Conservation Stewardship Program and Environmental Quality Incentives Program.

TITLE III - Trade

Emerging Markets Program (EMP):

- April 17, 2014: FAS published a Notice of Funding Availability for EMP, with $10 million available in 2014. EMP applications are reviewed on a rolling basis during the fiscal year. Applications received after May 19, 2014, will be considered for funding if funding remains available.

Foreign Market Development Cooperator Program (FMD):

- April 16, 2014: the Foreign Agricultural Service (FAS) announced 2014 funding for FMD, with 22 trade organizations receiving $24.6 million.

Market Access Program (MAP):

- April 16, 2014: the Foreign Agricultural Service (FAS) announced 2014 funding for the Market Access Program. Sixty-two non-profit organizations received $171.8 million in funding.

- April 16, 2014: USDA published a press release announcing 2014 funding for the Market Access Program (MAP) and Foreign Market Development (FMD) program.

Technical Assistance for Specialty Crops (TASC):

- May 6, 2014: FAS publishes final rule to broaden the range of projects funded by the program.

- April 17, 2014: FAS publishes a Notice of Funding Availability for TASC, with $9 million available. Applications received after May 28, 2014, will be considered if funding remains available.

U.S. Atlantic Spiny Dogfish Study:

- May 5, 2014: USDA submitted a report to Congress on the existing market in the U.S. for the U.S. Atlantic Spiny Dogfish.

TITLE IV - Nutrition Programs

Commodity Supplemental Food Program (CSFP):

- July 9, 2014: FNS published a final rule to phase out the eligibility of women, infants, and children.

- March 10, 2014: FNS released Implementation Memorandum to States on phasing out the eligibility of women, infants and children (PDF, 273KB).

Community Food Projects:

- February 27, 2014: The National Institute of Food and Agriculture (NIFA) released a Notice of Funding Availability for the Community Food Projects Competitive Grants Program, with $5 million available.

Fresh Fruit and Vegetable Program Pilot

- April 7, 2014: FNS announced an RFP for the Fresh Fruit and Vegetable pilot program, which will take place during the 2014-2015 school year.

Low-Income Home Energy Assistance Program (LIHEAP) Payments:

- March 5, 2014: Food and Nutrition Service (FNS) released an Implementation Memorandum to States on the elimination of standard utility allowances in the Supplemental Nutrition Assistance Program (SNAP) for LIHEAP payments less than $20.

Multiagency Taskforce on Commodity Programs:

- April 24, 2014: FNCS signed a memorandum appointing members to the multi-agency taskforce to provide coordination and direction for commodity programs.
- March 14, 2014: FNCS issued a memorandum to solicit names for a multiagency task force to provide coordination and direction for commodity programs.

Pilot Project for Procurement of Unprocessed Fruits and Vegetables

- July 21, 2014: USDA Released a Request for Applications for the Unprocessed Fruit and Vegetable Pilot.

SNAP-related Provisions:

- August 25, 2014: USDA Announced $200 Million to promote innovation in SNAP Employment and Training Programs.
- March 21, 2014: FNS released implementation memorandum to states communicating major SNAP related provisions of the 2014 Farm Bill.

TITLE V - Credit

Farm Loan Programs/Direct Farm Ownership:

- February 7, 2014: FSA implemented changes in the interest rate on Direct Farm Ownership loans that are made in conjunction with other lenders.

Microloans:

- October 8, 2014: FSA publishes an interim rule increasing the maximum total indebtedness on microloans to $50,000.
- March 26, 2014: FSA issued an agency directive implementing non-discretionary microloan provisions.

Modifications to Farm Loan Programs:

- October 8, 2014: FSA publishes an interim rule amending Farm Loan Programs regulations for loan making and servicing on eligibility conditions for certain legal entities and allowing additional flexibility for loan applicants to meet the required farming experience.
- March 24, 2014: FSA issued a news release announcing changes to Farm Loan Programs resulting from the 2014 Farm Bill.

TITLE VI - Rural Development

Biodiesel Fuel Education Program:

- May 5, 2014: REE announced the availability of $960,000 for grants to educate consumers about the benefits of biodiesel fuel use.

Bioenergy:

- September 4, 2014: USDA awarded Fulcrum Sierra Biofuels, LLC a $105 million Biorefinery Assistance Program loan guarantee through Bank of America, N.A. to construct a facility in McCarran, Nevada, to convert municipal solid waste to biodiesel jet fuel. USDA Rural Development's loan guarantee represents less than half of the $266 million project cost. The plant is expected to produce 11 million gallons of fuel annually.

- June 13, 2014: USDA announced up to $14.5 million in funding for two USDA bioenergy programs made available through the 2014 Farm Bill. USDA's Rural Development (RD) announced it is accepting applications from companies seeking to offset the costs associated with converting fossil fuel systems to renewable biomass fuel systems, while USDA's National Institute of Food and Agriculture (NIFA) announced the availability of $2.5 million in grants to enhance national energy security through the development of bio-based transportation fuels, biopower, and new bio-based products.

BioPreferred:

- Aug 6, 2014: USDA announced the inclusion of wood products and other materials in the BioPreferred® Program.

- August 1, 2014: USDA's BioPreferred® program office hosted a public meeting on for stakeholders to discuss incorporating mature market (wood) products into the BioPreferred program.

Business and Industry Loan Guarantee:

- September 15, 2014: Rural Development published proposed rule changes to refine the regulations for the Business and Industry Guaranteed Loan Program.

- May 8, 2014: USDA announced_$48 million in loan guarantees for local food projects is now available through USDA 's Rural Development's Business and Industry Guaranteed Loan Program, and $30 million is available through competitive grants via the Agricultural Marketing Service's (AMS) Farmers Market and Local Foods Promotion Program.

- May 5, 2014: Rural Development announced availability of funding to provide support for local or regional food producers.

Definition of Rural Housing:

- May 5, 2014: Rural Development published maps identifying which rural areas are eligible for housing programs.

- March 13, 2014: Rural Development issued guidance to State Directors, field staff and stakeholders on implementing new eligibility requirements regarding the definition of rural housing.

Rural Business Enterprise Grants/Rural Business Opportunity Grants:

- September 12, 2014: USDA announced Investments to Increase Economic Activity in Rural Areas and on Native Lands_through USDA's Rural Business Enterprise Grant (RBEG) and Rural Business Opportunity Grant (RBOG) programs.

Rural Cooperative Development Grants:

- April 29, 2014: USDA announced the availability of $5.8 million in Rural Cooperative Development Grants.

Rural Microentrepreneur Assistance Program

- July 31, 2014: USDA announced grants to community partners to create jobs and strengthen small rural businesses through Rural Microentrepreneur Assistance Program (RMAP).

- May 20, 2014: USDA announces availability of loans and grants through the Rural Microentrepreneur Assistance Program.

Value Added Producer Grants (VAPG):

- August 19, 2014: USDA announced $25 Million for agricultural entrepreneurs to turn commodities into value-added products

- March 25, 2014: Rural Development published a notice in the Federal Register extending the application period for Fiscal Year 2013 and 2014 funding for VAPG, with up to $25.5 million available for these grants.

Water and Waste Disposal Loan and Grant Program:

- April 22, 2014: USDA announced 116 project awards through the Water and Waste Disposal Loan and Grant Program. The total award of nearly $387 million included $150 million in grants supported by the 2014 Farm Bill.

TITLE VII - Research and Related Matters

Agricultural and Food Policy Research Centers:

- April 15, 2014: USDA announced awards for the four research centers, totaling almost $4 million.

Beginning Farmer and Rancher Development Program (BFRDP):

- April 11, 2014: USDA published press release announcing the availability of more than $19 million in grants to help train, educate and enhance the sustainability of the next generation of agricultural producers through the Beginning Farmer and Rancher Development Program (BFRDP). Applications were due by June 12, 2014.

Bioenergy Research:

- June 13, 2014: USDA announced 2014 Farm Bill funding for Bioenergy Research.

Budget Submission and Funding:

- March 10, 2014: REE submitted its first budget submission and funding report to Congress.

Citrus Disease Research:

- June 12, 2014: USDA Announced $31.5 million in 2014 Farm Bill Funds for research to fight citrus greening.

- May 13, 2014: USDA announced first citrus greening funding allocations and appointments to Citrus Disease Subcommittee.

- March 17, 2014: A subcommittee was formally established within the National Agricultural Research, Extension, Education, and Economics Advisory Board, under the Specialty Crop Committee, and solicitation letters for nominations were issued.

Foundation for Food and Agricultural Research (FFAR):

- July 23, 2014: USDA announced Creation of Foundation for Food and Agricultural Research.

- March 31, 2014: Letters soliciting nominations to the FFAR Board were mailed to interested parties and a Federal Register Notice for Solicitation of Nominations for Members of the Foundation for Food and Agricultural Research is published on April 4, 2014.

Miscellaneous:

- July 2, 2014: USDA announced the availability of $4 million in grants to support research, education and outreach activities at non-land-grant colleges and universities.

- July 2, 2014: USDA announced the availability of $1.7 million in funding to improve the capacity of tribal land-grant colleges to undertake food and agriculture research.

- June 23, 2014: USDA announced the availability of funds to support food and agriculture science facility improvement at Central State University (CSU) in Wilberforce, Ohio. CSU was designated as an 1890 land-grant university in the 2014 Farm Bill. The funding announced today is a supplement to the 1890s Facilities Grants Program administered by USDA's National Institute of Food and Agriculture (NIFA).

- May 6, 2014: USDA announced the availability of almost $1 million in grant funding to programs that educate consumers about the benefits of biodiesel fuel use.

Organic Agriculture Research and Extension Initiative:

- March 17, 2014: NIFA released a Notice of Funding Availability for the Organic Agriculture Research and Extension Initiative with $20 million available in FY 2014.

Specialty Crop Research Initiative:

- March 17, 2014: NIFA released Notice of Funding Availability for the Specialty Crop Research Initiative with $76.8 million available in FY 2014.

TITLE VIII - Forestry

Insect and Disease Designation:

- May 20, 2014: USDA announced action to help 94 national forest areas in 35 states to address insect and disease threats that weaken forests and increase the risk of forest fire.

- March 19, 2014: Forest Service Chief Tom Tidwell sends a letter to all state governors notifying them of the opportunity to submit requests for designating their priority insect and disease areas for treatment.

Fire Suppression and Liability:

- May 22, 2014: USDA published an interim rule amending the Agriculture Acquisition Regulation (AGAR) by adding a new clause entitled "Fire Suppression and Liability." This new AGAR clause addresses fire liability on stewardship contracts.

Separate Forest Service Decision Making and Appeals Process:

- July 31, 2014: USDA published a final rule amending regulations concerning administrative reviews (appeals and objections) for projects or activities that are categorically excluded under the National Environmental Policy Act.

TITLE IX - Energy

Biomass Crop Assistance Program:

- July 23, 2014: USDA selected 36 energy facilities in 14 states to accept biomass deliveries supported by the Biomass Crop Assistance Program (BCAP).

- June 16, 2014: USDA began accepting applications from energy facilities interested in receiving forest or agricultural residues to generate clean energy.

- May 20, 2014: USDA announced $25 million in support for renewable biomass energy.

Rural Energy for America Program:

- May 5, 2014: USDA published Notice of Funding Availability announcing the availability of approximately $70 million in funding for loan guarantees and grants.

TITLE X - Horticulture

Bulk Shipments of Apples to Canada:

- August 25, 2014: AMS published an affirmation of interim rule in the Federal Register amending regulations under the Export Apple Act to allow bulk containers to be shipped to Canada without U.S. inspection.

- April 4, 2014: AMS published an interim rule in the Federal Register amending regulations under the Export Apple Act to allow bulk containers to be shipped to Canada without U.S. inspection.

Christmas Tree Research and Promotion Order:

- April 7, 2014: AMS published a notice lifting stay on the Christmas Tree Research and Promotion.

Farmers Market Promotion Program:

- May 8, 2014: USDA announced the availability of $15 million through the Farmers Market Promotion Program.

Local Foods Promotion Program:

- May 8, 2014: USDA announced the availability of $15 million through the Local Foods Promotion Program.

National Clean Plant Network:

- June 30, 2014: USDA announced the allocation $5 million in Farm Bill funding to support 19 projects under National Clean Plant Network.

- March 24, 2014: The Animal and Plant Health Inspection Service announced a Request for Applications for the National Clean Plant Network with $5 million available.

Plant Pest and Disease Management and Disaster Prevention:

- April 3, 2014: USDA announced $48.1 million in funding for 383 projects to help prevent the introduction or spread of plant pests and diseases. Applications were accepted through May 23, 2014.

Specialty Crop Block Grants:

- April 17, 2014: USDA published a press release announcing Farm Bill support for Specialty Crop Block Grants through $66 million available to state departments of agriculture.

TITLE XI - Crop Insurance

Changes to Crop Insurance Provisions to Benefit New Farmers:

- June 30, 2014: Risk Management Agency (RMA) filed an interim rule with the Federal Register, allowing USDA to move forward with changes to crop insurance provisions. The provisions provide better options for beginning farmers, allow producers to have enterprise units for irrigated and non-irrigated crops, give farmers and ranchers the ability to purchase different levels of coverage for a variety of irrigation practices, provide guidance on conservation compliance, implement protections for native sod and provide adjustments to historical yields following significant disasters.

Permanent Enterprise Unit Subsidy:

- May 1, 2014: RMA completed update to its systems to reflect the permanent enterprise unit subsidy as mandated by the Farm Bill. This impacted crops beginning with the May 20, 2014 actuarial filing and continue through the November 30, 2014 actuarial filing.

Premium Amounts for Catastrophic Risk Protection (CAT):

- April 3, 2014: RMA issued a public release of actuarial documents to revise the premium rates charged for CAT coverage to be based on the average historical "loss ratio" plus a reasonable reserve.

Prohibition of CAT on Crops Used for Grazing:

- April 15, 2014: RMA issued guidance document to amend the Special Provisions of Insurance for the annual forage policy. This amendment set forth the prohibition of CAT coverage on crops and grasses used for grazing.

Publication of Information on Violations of Premium Adjustments:

- March 27, 2014: RMA established a section entitled "Rebating Violations and Sanctions" in the Frequently Asked Questions section of its public website. RMA will add information to this section when it determines that rebating violations have occurred.

Supplemental Coverage Option:

- July 29, 2014: USDA issued a press release describing the Supplemental Coverage Option (SCO), which is available through the federal crop insurance program and set to begin with the 2015 crop year.

Conservation Compliance:

- July 22, 2014: USDA reminded producers that changes mandated through the 2014 Farm Bill require them to have on file a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026). The Farm Bill relinked highly erodible land conservation and wetland conservation compliance with eligibility for premium support paid under the federal crop insurance program.

Whole-Farm Revenue Protection:

- May 21, 2014: USDA announced a new risk management option that will be available for fruit and vegetable growers and producers with diversified farms. The policy, called Whole-Farm Revenue Protection, will provide flexible coverage options for specialty crop, organic and diversified crop producers. The program will be implemented in counties across the country and will expand in availability over the next several years.

TITLE XII - Miscellaneous

2501 Program:

- August 12, 2014: USDA announced the availability of $400,000 in funding to establish the Socially Disadvantaged Farmers and Ranchers Policy Research Center.

- July 29, 2014: USDA Announced $9 Million in Grants to Help Veterans and Minority Farmers Get Started in Agriculture (2501 Program).

Catfish Inspection:

- April 30, 2014: FSIS and FDA signed an MOU to improve food safety, fraud prevention, and inspection of catfish and catfish products. FSIS continues to submit monthly reports to Congress on implementation of this provision from the Farm Bill.

- March 14, 2014: The Food Safety and Inspection Service (FSIS) submitted the first status report to Congress on the development of the final rule establishing a catfish inspection program.

Pima Cotton:

- May 2, 2014: USDA announced the Foreign Agricultural Service will accept claims under the Pima Agriculture Cotton Trust Fund for calendar year 2014.

National Sheep Industry Improvement Center:

- September 17, 2014: USDA published an affirmation of interim rule amending the National Sheep Industry Improvement Center regulations.

- June 3, 2014: USDA published an interim rule amending the National Sheep Industry Improvement Center regulations.

Mr. Aderholt. What are the priority programs that still need to be implemented?

Response. [The information is provided for the record:]

Title I: Commodities

Agriculture Risk Coverage (ARC)/Price Loss Coverage (PLC)

- Producer election into ARC/PLC
- Payments for 2014 crop year

Cotton Transition Payment

- Payments for the 2014 crop year

Actively Engaged definition

- Announce proposal in 2014

Title II: Conservation

Out-year Program Implementation

- Launch Mitigation Banking Program

Title IV: Nutrition

Food Insecurity Nutrition Incentive

- Begin awarding grants

The Emergency Food Assistance Program

- Notify States of additional TEFAP funding
- Take food orders from States
- Purchase food product

SNAP Retailer Eligibility Standards Rulemaking

- Issue proposed rule

Title V: Credit

Beginning farmer provisions

- Eligibility requirements for direct farm ownership loans, Beginning Farm Individual Development Account Pilot Program

Microloan changes

Title XI: Crop Insurance

Beginning Farmer provisions

- RMA is working to have additional beginning farmer benefits available by the spring of 2015.

Whole Farm policy coverage

- Pending FCIC board approval, producers will be able to enroll in the spring of 2015.

Conservation Compliance

- Publish final compliance requirements

Peanut Revenue program

- Subject to the submission of an actuarial sound proposal and FCIC board approval, a peanut policy may be available in 2015.

Title XII: Miscellaneous

Non-insured Crop Assistance Program (NAP) buy-up

- Publish final program details for the 2015 crop year

Mr. Aderholt: Does the President's budget propose new funding to implement the law?

Response: The FY 2015 President's Budget did not request any new funding for farm bill implementation.

Mr. Aderholt: The farm bill provided $175 million in mandatory funding to implement the farm program and crop insurance parts of the law. How does the Department plan to utilize these resources?

Response: The farm bill provided $100 million for the Farm Service Agency (FSA) from the Commodity Credit Corporation to cover the administrative costs related to Title 1 program farm bill implementation. The funding provided is restricted to implementation of Title 1 programs and the development of education tools for the ARC/PLC and NAP programs but it is available for the life of the farm bill. In addition, there is $10 million available for the implementation of Acreage and Crop Reporting Streamlining Initiative (ACRSI) if certain criteria are met by September 30, 2014 and an additional $10 million if further criteria are met by September 30, 2015.

The funding provided for FSA will be used to hire temporary staff to facilitate the workload associated with drafting and implementing new and revised regulations, program sign-up, and daily county office duties. Funding will also be allocated for (non-MIDAS) software modifications required to put the new farm bill program on the ground, extensive mailings and outreach to farmers and ranchers to ensure they are well informed about the changes imposed by the farm bill, and employee training to ensure that staff are able to assist producers with any questions that may arise.

Section 11021 of 2014 Farm Bill provided the Risk Management Agency with $9 million dollars per fiscal year for program integrity and program maintenance. I want to express appreciation to Congress for providing funding that will enable the Risk RMA to hire additional staff and contract resources. The additional staff and contract resources will allow RMA to continue to implement the program changes included in the 2014 Farm Bill, maintain current and new programs, and to improve program integrity. RMA intends to use all of the $9 million per year to improve program integrity and to aid in program maintenance and farm bill implementation in FY 2015.

Due to the time needed to recruit and hire employees, all of the money was not allocated for FY 2014. However, these funds have already allowed RMA to hire new employees to improve RMA's program integrity efforts, and to implement programs from the 2014 Farm Bill. For FY 2014, RMA obligated approximately $5.4 million of the $9 million made available from Section 11021. RMA has used these funds on SCO implementation and for program integrity efforts. Specifically, RMA entered into contracts for additional work that allow a significant expansion of SCO crops for 2016 and to address backlogged arbitration awards and settlements. RMA also entered into an agreement to improve improper payments rates and update program integrity processes. In addition, in an effort to improve the integrity of the tobacco crop insurance program, RMA partnered with the Agricultural Marketing Service to implement a tobacco crop insurance grading system.

RMA plans to hire approximately 60 employees once RMA's hiring plan is complete. These employees will be focused upon operation and day to day maintenance of farm bill programs and issues related to program integrity. While RMA was not able to bring on board all the employees in FY 2014, many are now arriving and are on board. Starting in FY 2015, RMA expects the full $9 million to be obligated annually.

In section 11020 of the 2014 Farm Bill, RMA received $14 million for information technology for FY 2014 and $9 million for each FY 2015-2018 with the opportunity for an additional $5 million each FY 2015 -2018 if the Acreage Reporting Streamlining Initiative is substantially complete by September 30,2015. RMA plans to use these funds to maintain, update, and enhance security for RMA's information technology systems.

Mr. Aderholt: Will it be for temporary staff, computer systems or outreach?

Response: For FSA, the authorization specifies that $6 million will be utilized to enter into cooperative agreements with Universities to develop education tools and to enter into agreements with state extension services. The remaining funding will be utilized to cover the costs related to hiring temporary employees and to cover operating expenses such as postage, training and travel expenses as well as the costs related to the IT development for the new or revised Title 1 programs.

RURAL DEVELOPMENT PROGRAMS

Mr. Aderholt: In your testimony, you state that the fiscal year 2015 budget request is focused on creating jobs and building a foundation for future economic growth, particularly in rural America. However, this contradicts USDA's budget justification. On page 30-9 of the Rural Development budget justification, the summary for the business and industry loan programs states, "A decrease will negatively impact rural communities."

Will you explain how the proposed cuts to the rural water and waste disposal program, which had about a $3.5 billion backlog, and certain housing and business programs helps to build a foundation for future economic growth in rural America?

Response: Rural Development mission area is committed to continuing to serve small and economically challenged rural communities. Given the tight fiscal constraints that the Federal government is operating under, Rural Development is committed to working smarter on behalf of rural America.

The Department continues to recognize the responsibility we share to help shoulder the burden of deficit reduction and, as such, have pursued continual process improvements to ensure that our agency operates as a responsible steward of taxpayer dollars. Over the past ten years, Rural Development's loan portfolio has more than doubled and now stands at $204.5 billion.

In terms of service, Rural Development is focusing on Community Economic Development initiatives that assist communities and regions realize their long-term goals. The Rural Development is doing so though technical assistance that supports strategic planning for self-sustaining rural development. This coordinated, regional work helps rural areas make the most of Federal assistance. Working regionally gives smaller and poorer communities an opportunity to pool limited resources with neighboring communities and successfully compete for Federal funding.

The 2014 Farm Bill also provides tools needed for the Rural Development to be more creative in addressing rural needs. For example, Section 6025 allows a 10 percent set-aside for program funds that support strategic economic and community development plans. This provision encourages cooperation and focus on planned development. Another provision will enable community facilities funds to be used for technical assistance, which will ensure the projects RD finances are well designed and also that these funds reach limited resource communities.

The tools provided in the Farm Bill, coupled with USDA initiatives focused on community economic development, build a foundation for future economic growth in rural America.

Mr. Aderholt: Why does the Department insist on proposing cuts to the direct housing loan program?

Response: Single Family Housing Direct loan program plays an important role in meeting USDA's commitment to improving the economic vitality and quality of life in rural America. It is anticipated that at the FY 2015 proposed funding level of $360 million for Section 502 approximately 2,900 low and very low-income families will achieve homeownership. The Department acknowledges the importance of the Section 502 Direct Loan program in providing low and very low-income families an opportunity to attain homeownership in rural America. Our budget authority request for FY 2015

actually increased from $24 million provided in FY 2014 to $27 million; however, the subsidy rate has also increased due to higher cost of borrowing for the Federal government and additional subsidy provided to the borrower thereby causing a decrease in program level. With continued low interest rates and the increased use of our guaranteed program, we project at that about 43,000 of low- and very low-income rural families will be served with guarantees of loans from participating lenders. Last year, about 22 percent of nearly 163,000 guarantees went to low-income families and 4 percent went to very low-income families. The Single Family Direct loan program request will still assure families participating in Self-Help housing and those with greater needs will have access to credit to own their own homes.

USDA also intends to continue developing partnerships with qualified nonprofit organizations in rural areas to deliver program funds where they are needed most. These partnerships occur with our field offices and local non-profits. We are also establishing a certified loan packager program where trained non-profit staff would assure program funds go to those who lack other housing opportunities. We recognize that families living in more rural, poorer communities have difficulties accessing programs and services that promote long-term wealth. The Department anticipates that the assistance from nonprofit groups will provide targeted delivery of program funds to the most economically distressed and lower income communities.

INFORMATION TECHNOLOGY SECURITY

Mr. Aderholt: This Subcommittee takes very seriously USDA's long-standing problems with the security over its information technology systems and the personal, financial and secret data held by these IT systems. For more than 10 years and as recently as a few months ago, USDA's Inspector General has issued numerous reports critical of the security operations at the Office of the Chief Information Officer and the agencies. Is information technology security one of your top priorities? Please tell us about your efforts on this issue.

Response: Information technology security is one of USDA's top priorities. Particularly given the size and distribution of the Department's employees and the diversity of its missions and data sets, the prominence of cyber security has been steadily growing. The Office of the Chief Information Officer (OCIO) has worked with component agencies and staff offices over the last three fiscal years to close more than 50 outstanding FISMA audit recommendations from the Office of the Inspector General, some dating back several years prior. OCIO's Agricultural Security Operations Center (ASOC) handled over 120 separate incidents throughout FY 2014, from an attempt to scan or probe our shared network backbone to attempts to introduce malware to USDA through email attachments and links to stolen and lost devices. USDA works closely with the Department of Homeland Security's Computer Emergency Readiness Team to share information, and has participated in exercises to test our preparedness. USDA met its goal for FY 2014 to have 80% of employees voluntarily using their "LincPass", our personal identity verification (PIV) card to log onto their computers, and we have nearly completed transition to a single Enterprise Active Directory. Both accomplishments help us to know that the people trying to gain access to our networks have the right to do so, and have prepared us for reaching full compliance with the "technical mandatory" PIV usage requirements of HSPD-12 in FY 2015.

Mr. Aderholt: The Inspector General has called out several cases of inefficient management of IT resources in the past. What is USDA doing to ensure that appropriated resources are managed more efficiently?

Response: USDA spends approximately $2.6 billion annually on information technology across 251 separate investments by its 17 component agencies and 10 staff offices. Of the 251 investments, 24 are considered "major" investments with schedule and cost performance reported monthly on OMB's publicly available dashboard. Investments with an overall rating of "red" on the dashboard for three consecutive months receive a TechStat from the Office of the Chief Information Officer, a deep dive into project performance that results in a corrective action plan to get the project back on track. Over the last two fiscal years, nine TechStats have been conducted.

In addition, for the last two fiscal years, the Office of the Chief Financial Officer has conducted complete portfolio performance reviews of all IT investments in preparation for USDA's annual Portfolio Stat exercise with OMB. This has yielded a significant amount of streamlining and consolidating investments for better program management, as well as retirement of several older investments.

USDA has reinvigorated its Executive Information Technology Resources Investment Board to help set priorities for IT spending and review for concurrence with new IT investments and major changes to existing IT investments, per appropriations provisions. This includes providing members of the Board, principally the subcabinet, with training on IT governance and earned value management, skills that will help them contribute to the Department's efforts and be better prepared to ask the right questions when reviewing IT projects in their Mission Areas.

In FY 2015, the Office of the Chief Information Officer will undertake an audit of program and project management skills, certifications, and experience across the Department, identify gaps, and develop a remediation plan to ensure that only staff with appropriate levels of training and experience is assigned to lead major investments. Implementation of the plan will take several years to complete between training and identifying opportunities to build experience that puts training to work.

Mr. Aderholt: Does USDA need additional legislative authority to address its IT security problems? Have you considered providing the Chief Information Officer with more authority or support to allow it to require agencies to implement critical IT security measures?

Response: USDA does not believe that additional legislative authority is necessary. The difficulty comes in the exercise of existing authority since the only real remedy when a component agency or staff office fails to meet its security obligations with a particular application or system or if a component fails to timely meet security obligations on a network it controls is to block its access from the shared network backbone controlled by the Office of the Chief Information Officer. This would result in an immediate disruption of service and would affect mission delivery to the public for that agency or office. In lieu of this, OCIO has worked closely with component level CIOs to improve the Department's position with respect to such issues as ensuring that systems and applications have been through the security review process and have Certificates of Authority to Operate on USDA's network or a concrete plan of action and milestones to achieve certification. USDA achieved 91% certification compliance in fiscal year 2014.

IMPROPER PAYMENTS

Mr. Aderholt: In March, the Inspector General released a report on USDA's compliance with the Improper Payments Elimination and Recovery Act. While the department's overall error rate fell from 5.37 percent in 2011 to 5.11 percent in 2012, there are still significant problems. For example, USDA has some high-risk programs that did not comply with the Act for a second year in a row. Under the Act, when a program does not comply for more than three years in a row, the agency is required to propose statutory changes to bring the programs into compliance. What is USDA doing to bring these programs into compliance? What is USDA doing to reduce improper payments?

Response: The Office of the Chief Financial Officer (OCFO) obtained corrective action plans from the six USDA programs that did not comply with the Improper Payments Elimination and Recovery Act for three consecutive years. These include two Farm Service Agency (FSA) programs for Direct and Counter-Cyclical Payment (DCP) and Noninsured Assistance Programs (NAP) and four Food and Nutrition Service (FNS) programs including Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and the Child and Adult Care Food Program (CACFP).

For FSA, the Agricultural Act of 2014, also known as the 2014 Farm Bill repealed DCP and therefore it will receive no future appropriations. At the request of OCFO and the Office of Management and Budget, FSA is performing a close out review with results to be reported in the Fiscal Year 2014 Annual Financial Report. The 2014 Farm Bill also reauthorized NAP and FSA intends to use new web based software initiatives to help in the reduction of future administrative and documentation errors along with new changes that will become effective with the reauthorization of NAP in the Farm Bill.

With regard to the four FNS programs, FNS has initiated several strategies to improve improper payments. First, FNS plans to award a contract by September 30, 2014 to explore an alternative method of measuring the rate of erroneous payments to CACFP family daycare homes for meals claimed for reimbursement. FNS also plans to increase compliance through recent legislation such as the Healthy, Hunger-Free Kids Act of 2010 which includes a number of provisions targeted towards improving management and program integrity. Furthermore, FNS is developing proposals for Congress that are geared towards strengthening integrity and addressing improper payments in NSLP and SBP and include training and technical assistance funding for States, enhanced verification in school meal programs, enhanced State and local reporting to support error measurement, creation of a "State Exchange" for child nutrition programs, and expansion of Administrative Review and Training (ART) Grants.

We want to re-emphasize that USDA is fully committed to reducing improper payments in our programs to the greatest extent possible and will continue to implement strategies to remediate areas of non-compliance.

MODERNIZE AND INNOVATE THE DELIVERY OF AGRICULTURAL SYSTEMS (MIDAS)

Mr. Aderholt: The House Report accompanying the FY 2013 House Appropriation Bill (H.Rept. 112-542) clearly stated that the Committee viewed the MIDAS initiative as the top administrative priority for USDA and this position remained unchanged going into FY 2014. In delivering vital mission-based services directly to farmers and ranchers, this program was supposed to represent the greatest efficiency improvement amongst any other streamlining effort at USDA. After inclusion of the FY 2014 appropriation, Congress will

have invested close to $400 million in the timely and successful implementation of MIDAS at the Farm Service Agency. Please provide a full status of what modules or components of MIDAS were promised to Congress at the beginning of the project and provide a status of each of the originally planned deliverables?

Response: When the MIDAS business case was approved in 2007, the project was based on developing a single platform to manage all of the farm programs managed by FSA. Between the time the MIDAS project began in 2007 and today, two Farm Bills have passed, each adding, modifying, or eliminating farm programs. In 2012, the decision was made to undertake a common process and data-centric approach focusing on land (data & imagery), farm records, acreage, and business partner data.

In April 2014, the Farm Records release of MIDAS was deployed nationwide to 9,000 employees across 2,124 State and County Offices to manage 11 million customer records and 5 million farms with 8.1 million tracts and 38 million fields. For the first time ever, the system consolidates land and producer information on one computer screen, dramatically improving customer service and FSA processes. Following the initial release, in order to address cost and schedule constraints, a decision was made to focus on customer and land information in a phased deployment of MIDAS through four additional releases which included: Business Partner, Acreage/Inventory Reporting, Historical Changes and Analytics, and Customer Self Service.

The Business Partner release, scheduled for FY2015, will build on the foundation of the modernized Farm Records process. Business Partner allows FSA staff to edit and maintain customer information, access program eligibility information in one consolidated view rather than multiple systems, and automatically validate customer information.

The MIDAS project will conclude following the release of Business Partner. The functionality associated with the remaining releases is being revisited to more closely align with broader USDA Department-wide initiatives. In relation to Acreage Reporting/Inventory Reporting (AR/IR), once the new business processes to support the Acreage and Crop Reporting Streamlining Initiative (ACRSI) have been piloted, an alternatives analysis will be performed to determine the best approach to meet internal AR/IR and Historical Changes system requirements. Customer Self Service (CSS) is being reconsidered as a multi-mission area initiative (USDA Virtual Service Center).

Mr. Aderholt: Of the 14 contractors or more who have received funding for MIDAS, please provide a list of the contractor, the dates of the contracts and the funds made available to each.

Response: The information is provided for the record.

[The information follows:]

MIDAS CONTRACTORS

Vendor	Description of Service	Contract Number(s)	Total Contract Value*	Date
Advantage Solution, Inc.	Integration of SAP ERP and ESRI GIS Commercial-off-the-Shelf (COTS) software	AG-3151-K-13-0017	$8.033	FY13
BearingPoint	SAP Gap Analysis, Acquisition Sizing Support, and BP Operating Model	AG-3142-K-08-0047	$0.162	FY08 - FY09
Booz Allen Hamilton	Interface development and application maintenance	GST0511BM0013	$16.260	FY12 - FY14
Capgemini	Independent Verification and Validation	GSQFOBBPA-10-0003C0001	$15.546	FY10
		GST0011AJ0106		FY11
		GST0012AJ0140		FY12
		GSQ0014AJ0085		FY14
CarahSoft	Software licenses and maintenance for SAP users and implementation tools, SAP training, SAP MaxAttention/MaxSecure services, integration of SAP ERP and ESRI GIS COTS software	AG-3142-D-09-0254	$37.513	FY09
		AG-3142-D-10-0131		FY10
		AG-3142-K-10-0059		FY10
		AG-3142-K-10-0163		FY10
		AG-3142-K-10-0164		FY10
		AG-3142-K-10-0239		FY10
		AG-3142-K-11-0155		FY11
		AG-3142-K-12-0261		FY12
		AG-3142-K-13-0036		FY13
		AG-3142-K-14-0036		FY14
		AG-3151-D-11-0072		FY11
		AG-3151-D-12-0012		FY12
		AG-3151-D-12-0026		FY12
		AG-3151-D-12-0047		FY12
		AG-3151-K-10-0025		FY10
		AG-3151-K-11-0036		FY11
		AG-3151-K-14-0019		FY14

Vendor	Description of Service	Contract Number(s)	Total Contract Value*	Date
Deloitte	Program management support and organizational change management	INDA0900010001 IND11PB20008 IND11PB20009 IND12PB00466 IND12PB00478 IND13PB00236 IND14PB00270 IND10PB77284	$35.524	FY09 FY11-FY12 FY11-FY12 FY12-FY13 FY12 FY13-FY14 FY14 FY10-FY11
Federal Aviation Administration	Independent assessment of security controls for Authorization to Operate (ATO)	ACIISSUSDA7118	$0.048	FY12-FY13
Harmonia	Database administration and management during operations and maintenance	AG-3151-C-14-0024	$0.301	FY14
Hewlett-Packard	Database administration and management during operations and maintenance	AG-645S-D-08-0041	$0.200	FY14
MilVets Systems Technology, Inc.	Independent testing of major releases and during operations and maintenance	AG3151D130094	$2.948	FY14
SAIC	Architecture and design for Customer Self-Service capabilities	GS00Q09BGD0048	$0.646	FY14
SRA International	System integration, service operations and technical support during DME and operations and maintenance	GSQ0014AJ0005 GST0012AJ0044 GST0013AJ0110 GSTFMGBPA100001C001A GSTFMGBPA100001C001 GSTFMGBPA10001C002 GSTFMGBPA10001C002A	$209.376	FY14 FY12-FY13 FY14 FY10-FY11 FY10 FY10-FY11 FY11-FY12
Top Office Personnel	Acquisition support	AG-645S-D-09-0013 AG-3151-D-09-0167	$0.113	FY09

Vendor	Description of Service	Contract Number(s)	Total Contract Value*	Date
Torres	Lean Six Sigma re-engineering, program management support	AG-3151-C-07-0040 AG-645S-C-09-0011 AG-645S-P-09-0049 GS00T10AJC0009 GS00T10AJC0010	$9.951	FY07 FY09 FY09 FY10 FY10
Waterman	Project management support	AG-3151-C-08-0003	$2.711	FY08
* Dollars in millions				

Mr. Aderholt: The Administration informed the House and Senate Agriculture Subcommittees that USDA made available more funding to the MIDAS project in FY 2014 than what was previously stated in budget documents (i.e., more than $65 million). What is the total amount made available in FY 2014 and what was the source of the funding? What was the impact on those areas that served as a source of funding for additional MIDAS spending?

Response: Initially, $65.47M of the FY 2014 President's Budget was allocated to the MIDAS project in October 2013. In March 2014, an additional $29M in spending authority was made available to MIDAS, increasing the total budget amount from $65.47M to $94.47M. Finally, an additional $5M in spending authority was made available in August 2014 increasing the total funding in FY 2014 from $94.47M to $99.47M.

The source of the additional MIDAS funding was a decrease in staffing and a carryover of previous year's funding. FSA identified $31M as FY 2014 S&E savings as a result of a hiring freeze started in FY 2013 and lags in hiring numbers in FY 2014. The remaining $3M came from FY 2013 unobligated S&E balances, purposed for IT funding in FY 2014 pursuant to section 711 of the FY 2013 appropriations bill.

Mr. Aderholt: Looking at the current timeline for MIDAS or future projects tied to MIDAS, when does USDA expect to have everything in place so that farmers and ranchers will be able to provide input and gain information from their homes and offices on the status of their particular farming operations? On a related note, when might we start to see measurable savings from the implementation of this system?

Response: Following the upcoming Business Partner release, scheduled for FY 2015, the MIDAS project will have successfully established a key component of the platform required to support online access by farmers. MIDAS customers will be able to conduct their business with any Service Center nationwide due to the nationwide integrated data model. The Customer Self Service functionality will be provided in alignment with the Department's overall schedule of a Virtual Service Center modernization initiative. The timeline in which measurable efficiencies and cost savings will be accrued,

to the Agency as well as to our customers, will partly be dependent on the overall adoption of the online capability by the agricultural community.

BIOTECH REVIEW IN APHIS

Mr. Aderholt: In FY 2013, USDA announced process improvements to the biotech petition regulatory review program intended to significantly reduce the time for review and approval of new traits in seed products. Despite fiscal challenges, Congress recognized the importance of supporting APHIS and the corresponding potential for biotech crops by providing the Agency with a $5 million increase in FY 2012 and has maintained those levels in FY 2013 and FY 2014. USDA has made few announcements on moving anything through the regulatory process or showing any concrete improvement in reducing timelines. When will we expect to see more results from this revised process and the increased investment?

Response: In FY 2012, we implemented process improvements to improve the timeliness of our reviews. We also used the additional funds that Congress provided to hire additional staff to work on environmental analyses. Prior to process improvement implementation in March 2012, USDA had a backlog of 23 petitions. Since implementing the improvements, USDA has also received 10 new petitions that also follow the improved process. USDA has reduced its 2012 backlog from 23 petitions to 4 and has also reached final determinations on 3 of the 10 new petitions received after March 2012. USDA expects to complete the remaining backlogged petitions in 2016. We expect that completion timelines will continue to decrease as the backlog is cleared. Though we have not yet reached our overall timeline targets, we have made significant progress in decreasing timelines. For example, technical completeness reviews have decreased from 324 days to 66 days; and plant pest risk assessment preparation has decreased from 143 days to 87 days. We remain committed to meeting the target timelines.

Mr. Aderholt: Does USDA expect that this new process will help U.S. producers maintain a competitive advantage over U.S. competitors in overseas markets?

Response: Since 2012, USDA has identified and implemented innovative ways to improve the biotechnology petition review process. USDA's targeted timeframes are comparable to the average time it takes for product deregulation in other countries around the world. These efforts will help U.S. producers by significantly reducing the length and variability of the review process without compromising the quality of the analyses that support our decisions. To date, USDA has completed 10 petitions that partially or fully followed the new process since the new process was put in place in 2012. These petitions were completed within an average of 29 months, a reduction of 5 months compared to the old process. Our goal is to decrease the time required to 13 to 16 months. In those situations where we need to prepare an Environmental Impact Statement the process will take longer.

Mr. Aderholt: You have demonstrated an appreciation for the great potential of biotechnology and have focused on the issues of coexistence and science in order to lessen the fear and confusion expressed by the opponents of this technology. However, many in Congress are concerned that the politics of biotechnology may be interfering with the scientific review process.

Last year, you told us that the goal was to get approvals done in about one year. However, USDA's own data shows that it took on average almost 900 days for the eight products approved in 2013. USDA also committed to eliminating

the backlog of 22 petitions in "about a year". In two years, USDA was able to decrease the backlog by only six petitions.

Can you explain what improvements or resources are needed to ensure future products are reviewed and regulatory decisions are made in a more timely and predictable manner?

Response: USDA appreciates the efforts of Congress to provide the necessary resources to USDA's biotechnology program and its continuing efforts to oversee certain genetically engineered organisms that might pose a risk to plant health. In FY 2014, USDA reduced the number of petitions in the backlog to four as an indication that the process improvements begun in 2012 are effective. The level requested in the President's FY 2015 budget proposal for biotechnology regulatory services will provide sufficient funding to meet the new process timelines.

Mr. Aderholt: If the delays in the review process are not the fault of USDA what should Congress do to ensure that other agencies base their decisions on science?

Response: Through the Coordinated Framework for the Regulation of Biotechnology, three Federal agencies are involved, ensuring that plants produced using biotechnology and the many products derived from them are safe for farmers to use, safe to consume as food or feed, and safe for the environment. Those agencies are USDA's Animal and Plant Health Inspection Service (APHIS), the Department of Health and Human Services' Food and Drug Administration (FDA), and the United States Environmental Protection Agency (EPA). The three agencies regulate these products based on the characteristics of the actual products and their intended uses to ensure the safety of plants used in agriculture, the safety of pesticides used in agriculture, and the safety of foods we eat and feeds given to animals. Many other USDA agencies have roles in the development, use, and marketing of these products as well. USDA, EPA, and FDA work together closely to share scientific information related to the products under review by the respective agencies. This information is essential to ensure that sound science and science-based decisions remain the basis for USDA's regulatory decisions about genetically engineered crops and we believe the same to be true for all agencies that regulate genetically engineered organisms.

With the funding level requested in the FY 2015 President's budget, USDA will have sufficient resources to make timely regulatory decisions based on sound science, continue to eliminate the backlog, comply with environmental regulations, and work closely with other federal agencies such as the Department of Health and Human Services' Food and Drug Administration and the United States Environmental Protection Agency to share scientific information related to the products under review.

Mr. Aderholt: What can you do to clear the backlog in biotech reviews by the end of 2014?

Response: It was not possible for USDA to clear the backlog of biotech reviews by the end of 2014. However, UDSA has made significant progress in improving the timeliness of reviews and has reduced its 2012 backlog from 23 petitions to 4, and has also reached final determinations on 3 of the 10 new petitions received after March 2012. USDA expects to complete the remaining backlogged petitions in 2016. Completion timelines will continue to decrease as the backlog is cleared. Though we have not yet reached our overall timeline targets, we have made significant progress in decreasing timelines. For example, completeness reviews have decreased from 324 days to 66 days;

and the time required for plant pest risk assessments has decreased from 143 days to 87 days.

One reason for the long review times in this process goes back to the environmental impact assessment. I understand last year you made a commitment along with then-EPA Administrator Jackson to improve coordination between the two agencies.

Mr. Aderholt: One reason for the long review times in this process goes back to the environmental impact assessment. I understand last year you made a commitment along with then-EPA Administrator Jackson to improve coordination between the two agencies. Has USDA made any improvements in this part of the process with EPA so that thorough reviews are performed in a quicker manner? Are the two agencies working better than they had before?

Response: Yes, USDA and EPA are working better and closely to enhance coordination of regulatory reviews. In December 2012, APHIS and EPA held the first of regular discussions to lay out a strategy to improve collaborations and coordination between the two agencies for the review of new uses of existing herbicides (under EPA's authorities) and genetically engineered crops resistant to those herbicides (under APHIS' authorities). The two agencies reviewed processes and identified opportunities to improve coordination that would ultimately lead to timely sharing of information and the synchronization of decisions. APHIS' improvements in its petition process will reduce the time it takes to complete its review process, even in cases where a full EIS is necessary. The new timelines for products requiring an Environmental Assessment are very similar to EPA's registration timelines under the Pesticide Registration Improvement Act. As a result, the two agencies have developed joint timelines for reviews that highlight critical information sharing points and public engagement that would increase the likelihood of synchronous approvals. EPA and APHIS have implemented this approach in our respective reviews for Dow AgroSciences' 2, 4-D (Enlist) resistant soybean and corn products, and Monsanto's dicamba resistant soybean and cotton products.

FARM SERVICE AGENCY OFFICE CLOSINGS AND COUNTY OFFICE STAFF REDUCTIONS

Mr. Aderholt: As I indicated in my remarks, one of my goals is to eliminate the unnecessary spending of taxpayer dollars. I have concerns about the Department's proposal to close 250 FSA county offices and also eliminate 815 non-federal staff. County employees connect farmers, ranchers and producers with vital agriculture programs.

Please explain how the Department determines which offices should close?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further

review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

FSA is working on a service center concept to realign workforce and invest in technology to improve customer service to FSA programs, expand options in program delivery, and serve as a referral gateway to other agricultural and rural services. The concept is intended to establish a more flexible footprint in each State to best utilize staff resources, improve outreach to new and current customers and enhance cross training of FSA employees. The centralization of program service, resulting in generally larger staffs, will provide managers with greater employee supervision and oversight, increase opportunities to train employees, and improve internal controls that ultimately will improve efficiencies in program delivery and enhance public trust in the agency.

Mr. Aderholt: Are you conducting some type workload assessment or simply selecting offices by physical location?

Response: The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution and any proposal for changes.

Mr. Aderholt: If I understand your plan correctly, the savings associated with the closure of offices and the elimination of personnel is fully dependent upon the success of the MIDAS computer system in the field. USDA has spent approximately $400 million or more on this system and your CIO gave this project a 1 out of 5 score (1 being the worst and 5 being the best). You have now decided to end the project after the completion of Business Partner. How can you achieve these savings if your plan is based upon an IT system that is overdue, over budget, and fails to complete many of the functionality originally promised?

Response: Following the upcoming Business Partner release, scheduled for FY 2015, farmers and ranchers will be able to manage their customer and farm information with any service center nationwide. This functionality is key to the proposed savings. In addition, there are several factors involved in the achievement of cost savings and continuing business improvements, including future FSA strategic planning and modernization initiatives outlined in FSA's IT Strategy and Roadmap. Currently in progress, this business vision will establish objectives identify and sequence initiatives to move the Agency toward achieving Agency goals and objectives, resulting in potential efficiency gains.

Mr. Aderholt: Why weren't these offices part of your consolidation plan two years ago?

Response: The 2008 Farm Bill generally prohibited FSA from closing any office for two years. After this two year period, any offices closed were required to be located less than 20 miles from another office and have two or fewer employees. During 2012, as part of the Blueprint for Stronger Service and as a result of budget reductions, FSA adhered to these limitations when consolidating 125 offices nationwide. During this process, FSA reviewed and considered all public comments and Congressional feedback, and carefully examined data relevant to the decision-making process of offices meeting this criterion. Public meetings were held in all counties where an office was proposed to be closed.

As a result of continued declining operating budgets and workforce reductions during the budget development process for FY 2015, FSA conducted a preliminary analysis that identified supplementary offices which meet at least one of the 2008 Farm Bill criteria for consolidation in that they are located within 20 miles of each other or they are staffed by 2 or fewer employees. From this preliminary analysis, the agency estimated that there is the potential to consolidate approximately 250 additional offices.

Mr. Aderholt: The Farm Bill includes some new, complex programs that must be implemented by the Farm Service Agency. At the same time, your budget proposes savings of $61.6 million and the elimination of 815 non-federal staff. Why would you propose these drastic changes now when most county offices are the ones interacting with the farmers and ranchers?

Response: Appropriations for FSA administrative budget have continued to decrease over the past several years, requiring cost savings to maintain acceptable levels of customer service. FSA has reviewed all avenues to reduce operating costs using streamlining processes and administrative efficiencies and has concluded that the elimination of non-federal staff is the best solution.

MANDATORY COUNTRY OF ORIGIN LABELING (COOL)

Mr. Aderholt: President Obama signed the FY 2014 Omnibus Appropriation on January 17, 2014. As you know, Congress also approves an Explanatory Statement that expands upon congressional decisions as well as provides direction to the Administration in carrying out laws, regulations and programs. One such statement accompanying the signed law was a statement on Country of Origin Labeling for meat products. In including this statement, Congress was very clear that it wanted USDA to delay the implantation of the mandatory COOL regulation for certain meat products until the World Trade Organization makes a final decision on the complaints filed by our greatest trading partners Canada and Mexico. We are talking about the economic impact across the U.S. of up to $2 billion in retaliation against U.S. products.

In the FY 2015 Report accompanying the House Bill, the House goes a step further and directs USDA not to implement or enforce the rule if WTO rules against the United States. Additionally, the House directs the USDA to suspend the COOL regulation if the WTO rules against the United States. Will USDA withdraw the COOL regulation if the WTO rules against the U.S. once again as to avoid retaliatory penalties? If not, why?

Response: The final compliance panel report was publicly released on October 20 2014.Any appeal of the panel report will not be resolved for several months. Therefore, while the United States considers that it has brought the COOL measure into compliance with WTO rules, it would be premature to speculate on whether the WTO will find the United States not to have complied and what actions, if any, would be necessary to further modify the COOL program. No countermeasures may be imposed by Canada or Mexico until any such proceedings have been concluded and until the WTO has granted authorization to suspend concessions or other obligations.

Mr. Aderholt: Has USDA provided any evidence that COOL serves the consumer as a food safety tool?

Response: The purpose of COOL is to provide consumers with more information on the country of origin of certain food products on which to base their purchasing decisions. COOL does not serve as a food safety or public health measure.

Mr. Aderholt: Does USDA believe there is an inconsistent policy here where the labeling for an animal based product must state where the animal was born, raised, and slaughtered if other such products are simply required to declare where a product is imported from?

Response: USDA does not believe there is an inconsistent policy for labeling meat cuts. For imported meat covered commodities, the COOL regulations retain the requirement to label products with the origin information as declared to Customs and Border Protection under the Tariff Act. In addition, the origin declaration for imported meat covered commodities may include more specific location information related to production steps (i.e., born, raised, and slaughtered) provided records to substantiate the claims are maintained and the claim is consistent with other applicable Federal legal requirements.

AVIAN HEALTH

Mr. Aderholt: What is USDA doing overseas to bolster the overall effectiveness of U.S. avian health programs overseas and opening up more foreign markets for U.S. poultry by going after non-tariff trade barriers?

Response: USDA works closely with the U.S. Trade Representative's Office to maintain a coordinated, strategic approach to resolving plant and animal health issues that affect U.S. exports. Furthermore, USDA's Animal and Plant Health Inspection Service maintains offices in foreign countries that are key trading partners to provide contact points for U.S. agricultural interests and help collect relevant real-time information such as updates on avian health. With the assistance of the World Organisation on Animal Health and other international organizations, USDA provides assistance with disease prevention, management, and eradication activities in regions affected with highly pathogenic avian influenza. Assisting other countries reduces the risk of the disease spreading from overseas to the United States, and encourages science-based decision-making that levels the playing field for exporters.

USDA also directly contributed to growth of U.S. poultry exports by removing long-standing technical trade restrictions. Specifically, USDA removed avian influenza related trade restrictions that China, Japan, and Taiwan previously imposed on certain States. In FY 2013, through the exchange of information regarding Federal, State, and industry safeguarding measures to detect and prevent the spread of avian influenza in the United States, USDA retained market access for U.S. poultry worth $103.3 million.

WIC ESTIMATES

Mr. Aderholt: What methodologies is the Department using to estimate WIC participation, food inflation and NSA costs for each quarter and fiscal year?

Response: USDA projects WIC participation for budget development and for routine program monitoring using a methodology that relies primarily on historic program growth but is also sensitive to current trends reflected in administrative data. WIC State agencies remit participation statistics to the Department monthly. In most years FNS takes the most current monthly figure from the States and projects participation for each of the remaining months in the forecast period using historical month over month growth rates. Typically, to project annual changes, USDA looks at average changes in participation over a 7 year interval. Use of a 7 year interval helps mitigate the influence of years of dramatic increases or decreases.

The USDA's Economic Research Service projects current year inflation rates for each of the major food categories represented in the WIC food packages. With this data, the Department computes a weighted average food inflation factor for the program overall, and applies this inflation factor to the previous fiscal year's food package cost as reported by the States. The projection is further adjusted for changes in program rules and the anticipated effect of new infant formula rebate contracts. This methodology is used to project WIC food package costs through the end of the current fiscal year. The Department applies OMB's most recent forecast of the cost of the Thrifty Food Plan to project WIC food package costs beyond the current fiscal year.

The Department projects the value of NSA costs from a base that is specified in statute. The base is equal to the previous year's per-participant grant increased by the year over year change in the State and local government purchases index published by the Bureau of Economic Analysis of the Department of Commerce. The Department projects future year NSA per-participant costs by applying OMB's most recent forecast of the State and local government purchases index to the current-year base.

INTEGRITY EFFORTS

Mr. Aderholt: The 2015 budget request includes funds to expand nutrition program integrity efforts to further reduce payment error, trafficking and other recipient and retailer concerns. Specifically, are you requesting to strengthen program integrity efforts for SNAP, WIC and the Child Nutrition programs, and give us the details on how this money will be used?

Response: Rooting out waste, fraud, and abuse is a top priority for this Administration. Thus, to further strengthen integrity efforts within SNAP, USDA is requesting an additional $12.5 million. The information requested is provided for the record.

Of the $12.5 million requested for integrity efforts, about $9.5 million will be used to increase its staff of investigators and compliance analysts to monitor the growing population of SNAP retailers. This investment, which will allow for the addition of 73 new staff, will enable USDA to achieve even greater gains as a result of the recent reengineering of the retailer authorization and oversight process into an integrated national structure, including the increased focus USDA is putting on high risk geographical areas and high risk retailers.

In addition, this funding will allow USDA to maximize its investments in technology and fully leverage enhanced policies associated with retailer integrity, while providing for quality assurance. While it is difficult to estimate the increased productivity gained with each additional analyst, each additional investigator produces approximately 100 undercover cases each year.

USDA did not request additional resources for WIC program integrity in the FY 2015 President's Budget. However, during FY 2014, USDA has implemented improvements to WIC program oversight and integrity including a reorganization that established a WIC Program Integrity and Monitoring Branch to focus more direct attention on program integrity issues.

USDA also did not request additional funds for program integrity in the Child Nutrition Programs (CNP) in FY 2015. However, program integrity continues to be a significant USDA concern in the CNP. During the 2013-2014 school year, USDA used additional resources provided in FY 2014 to implement a number of improvements, including:

- Establishing a CNP Integrity Response Team to further promote program integrity efforts, support technology solutions to State and local program management, and monitor emerging challenges.

- Implementing a 3-year administrative review cycle to support improved integrity. In addition to the shorter review cycle, USDA also worked closely with State partners in developing a more effective unified process for conducting reviews. As 49 of the 55 State agencies implement that new process, USDA is providing training and intensive technical assistance to support them.

In fiscal year 2013, USDA reviewed more than 12,000 stores and conducted nearly 4,300 undercover investigations. Over 1,200 stores were permanently disqualified for trafficking in SNAP benefits or falsifying an application and nearly 800 stores were sanctioned for other violations such as the sale of ineligible items. These 2,000 stores sanctioned last fiscal year represent an almost 40 percent increase from 5 years ago.

The other $3 million in new funding for SNAP integrity would be focused on integrity through increased management evaluations (MEs) of States to ensure compliance with SNAP laws and regulations. The $3 million requested would provide funding for an additional 23 staff years in FNS' 7 regional offices to increase both the depth and frequency of ME reviews and financial management (FM) reviews of States.

ME reviewers ensure compliance with SNAP rules and statutory provisions, identify customer service issues, help States draft and implement corrective actions, and provide technical assistance to help States improve their business processes.

ME reviews protect the integrity of the program by identifying and rectifying issues that may be unique to one State or may indicate more global problems. For example, during one ME review, USDA discovered that a State was failing to recertify applicants in a timely manner, resulting in over-issuance of SNAP benefits. USDA worked with the State agency to make corrections quickly. At the same time, USDA launched a nationwide process for monitoring and measuring recertification timeliness and developed a technical assistance strategy. The ME process provides the vehicle for identifying and resolving these types of issues before they become widespread.

SNAP OUTREACH

Mr. Aderholt: Provide specific examples of the initiatives that have been launched to educate those who are eligible for SNAP about the program. How much did USDA spend on these initiatives in fiscal year 2012, 2013 and the projected expenditure for 2014?

Response: [The information follows:] USDA takes seriously its mission and responsibility to provide access to nutrition assistance program benefits to every eligible person who needs and seeks assistance. USDA promotes program access through appropriate outreach to program partners and potential recipients to ensure that eligible people can make informed choices for themselves and their families. USDA works to ensure that outreach is in line with the law and policy by:

- Focusing clearly on groups who are eligible under the law.
- Emphasizing that programs provide support during times of need, not permanently.
- Avoiding messages that disparage or demean the importance of work.

The majority of activities related to this education occur at the State and local level. States have the option of providing outreach as part of their program operations, and FNS reimburses up to 50 percent of the allowable administrative costs for these activities. At the end of FY 2014, 45 States conducted outreach activities. Outreach activities vary from State to State depending on local needs and partners. Examples of outreach activities include partnering with local food banks or senior service centers to offer application assistance to potentially eligible households wishing to apply. This assistance may include pre-screening potentially eligible households, an explanation of the application process, and answering questions about the application. This support eases the burden on both State SNAP offices and applicants by ensuring only those most likely to be eligible apply and answering common questions.

The Food and Nutrition Service also provide some tools and materials at the national level. Examples of such efforts include:

- *Toll Free Information Line*: FNS provides a toll free information line in English and Spanish for low-income people to learn more about SNAP eligibility.

- *The USDA National Hunger Clearinghouse:* The USDA National Hunger Clearinghouse collects and maintains contact and program information about Federal, State and local non-profit organizations and government agencies that provide food assistance programs and other social services, including information regarding SNAP. Individuals can search the online database or call a toll-free hotline to find assistance in their community.

- *Pre-screening Tool*: English and Spanish versions of the online pre-screening tool tell users if they might be eligible for benefits and estimates the amount of benefits they might receive. Where available, the site links the user to a State's pre-screening tool, which can incorporate State-specific policies.

- *Outreach Materials*: FNS makes available educational materials, such as brochures, posters and flyers, at no cost to State and local agencies and other organizations. "How to Get Food Help" provides contact information for immediate food help as well as clear and concise

information that helps newly eligible people understand USDA nutrition program criteria, including SNAP.

Federal Spending on SNAP Outreach Activities
Federal Obligations
(Dollars in Thousands)

SNAP Outreach Activities	FY 2012	FY 2013	FY 2014 Est.
Federal Share of State Spending	$30,508	$38,792	$39,477
Federally Administered Spending*	16,770	18,250	18,717
Total	47,278	57,042	58,194

Source: National Data Bank (NDB) and FY 2015 President's Budget.
* Includes spending on some Federal Nutrition Education activities.

Mr. Aderholt: For the past five years, please provide a table showing the estimated dollars and participants for SNAP and WIC in the President's Budget request and then the actual cost and participants for that year.

Response: The following table shows the estimated dollars and participants for SNAP and WIC in the President's Budget request and then the actual cost and participants for years 2010, 2011, 2012, 2013 and 2014. Please note that the 2014 Fiscal Year Program level totals represent information from the Midsession Update completed in July 2014. Data for 2014 participation is through August 31, 2014.

[The information follows:]

		2010		2011		2012		2013		2014	
		Request	Actual	Request	Actual	Request	Actual	Request	Actual	Request	Actual
WIC	Program Level (millions)	$7,793.3	$7,049.9	$7,810.6	$7,123.5	$7,373.2	$6,706.2	$7,144.5	$6,829.7	$7,127.8	$6,706.2
	Avg Monthly Participation (millions)	9.8	9.2	10.1	9.0	9.6	8.9	9.1	8.7	8.9	8.2
SNAP	Program Level (millions)*	$59,814.4	$64,656.0	$68,919.3	$71,765.5	$73,531.7	$74,613.7	$75,214.6	$72,744.5	$73,531.8	$71,916.1
	Avg Monthly Participation (millions)	36.7	40.3	43.3	44.7	45.0	46.6	46.9	47.6	44.7	46.5

* Includes ARRA Funds
Program level requested amounts are from the President's Budget or the Midsession Update, if applicable.
*FY 2014 information is estimated.

SNAP WORK PILOTS

Mr. Aderholt: The farm bill establishes a new SNAP work pilot program. It says, "The Department shall carry out up to 10 pilot projects designed to help more SNAP participants gain employment, work skills, education and training so that they may become self-sufficient and transition out of SNAP." The goal is for a variety of pilots to be tested that represent a balanced approach across the country as well as amongst those states that may be more focused on "education and training" and those that are taking a "work first" approach. What is the timeframe for implementing these pilots?

Response: States interested in operating a SNAP Employment and Training (E&T) pilot project must have submitted an application by November 24, 2014. The Department will announce grantees in February 2015 and expects pilot projects to be in effect by October 1, 2015 and operate for no more than three years.

The Department also released a solicitation seeking a contractor to independently evaluate each pilot project. Proposals were due on October 14 and we plan to have this contract in place in advance of the selection of pilot proposals. The evaluation contractor will help ensure projects support

rigorous study designs and methods necessary to provide credible and clear answers to the question of what works in moving SNAP recipients toward self-sufficiency.

Mr. Aderholt: What will be the process for ensuring that the various approaches of the States are equally represented?

Response: The Department has worked to increase awareness of this funding opportunity by reaching out to States directly to encourage a wide variety of strategies and approaches in addition to hosting a webinar on September 24, 2014, to explain the requirements and expectations for pilot projects. We have also coordinated with other Federal agencies, such as the Departments of Labor, Education, and Health and Human Services, and with workforce development experts to reach entities that might partner with State SNAP agencies in operating pilot projects.

The Department will ensure, to the extent possible, that pilot projects test the range of strategies outlined in the Farm Bill. This includes strategies that target SNAP participants with low skills, operate in both urban and rural communities, provide education and training activities or opportunities for rapid attachment to employment, and require mandatory or allow voluntary participation in work activities.

Mr. Aderholt: How many pilots is the Department planning to implement?

Response: The Department is hoping for a wide array of robust proposals and will award funding for up to 10 projects.

Mr. Aderholt: Is there a balanced process and that various approaches are tested?

Response: USDA is interested in testing "work first" approaches as well as those focused on education and training. SNAP serves a diverse population with a wide range of needs in moving toward meaningful employment. Some participants, who have been out of the workforce for a short period of time, might need help connecting to job search resources. Others might need re-training or new skills in order to be competitive in the workforce. The Department has made an effort to ensure that eligible applicants are aware of this funding opportunity and the range of projects USDA seeks to test.

In selecting pilot projects, the Department will first have an evaluation panel review and score each application based on the clarity and quality of the project design, according to the evaluation criteria outlined in the Request for Applications. The evaluation panel will not award points based on the type of approach or strategy that the application proposes to test. To the extent possible, selecting officials will ensure pilot projects, when considered as a group, test the range of strategies outlined in the Farm Bill, and will also consider USDA's areas of interest that are outlined in the RFA.

PUBLIC AFFAIRS

Mr. Aderholt: Please provide a table that shows the number of professional and clerical staff from each agency and USDA staff office assigned to public affairs activities and the cost by each respective organization, to include projections for fiscal year 2014 and 2015.

Response: The information is provided for the record.

[The information follows:]

United States Department of Agriculture
Agriculture Public Affairs Activities
(Dollars in Thousands)

Agency	2013 Employment	2013 Staff Years	2014 Employment	2014 Staff Years	2015 Employment	2015 Staff Years
Office of Communications:						
Professional	47	47.0	51	51.0	51	51.0
Clerical	6	6.0	6	6.0	6	6.0
Budget Authority	$8,360		$8,065		$8,137	
Location of Staff:						
Washington	53	53.0	57	57.0	57	57.0
Field	0	0.0	0	0.0	0	0.0
Office of Inspector General:						
Professional	0.75	0.75	0.75	0.75	0.75	0.75
Clerical	0	0.0	0	0.0	0	0.0
Budget Authority	$96		$96		$96	
Location of Staff:						
Washington	0.75	0.75	0.75	0.75	0.75	0.75
Field	0	0.0	0	0.0	0	0.0
Office of the Chief Economist:						
Professional	1	1.0	1	1.0	1	1.0
Clerical	0	0.0	0	0.0	0	0.0
Budget Authority	$163		$163		$163	
Location of Staff:						
Washington	1	1.0	1	1.0	1	1.0
Field	0	0.0	0	0.0	0	0.0
ARS:						
Professional	28	28.0	26	26.0	26	26.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$3,497		$3,418		$3,418	
Location of Staff:						
Washington	29	29.0	27	27.0	27	27.0
Field	0	0.0	0	0.0	0	0.0
NIFA:						
Professional	4	4.0	4	4.0	4	4.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$507		$553		$558	
Location of Staff:						
Washington	5	5.0	5	5.0	5	5.0
Field	0	0.0	0	0.0	0	0.0
NASS:						
Professional	3	3.0	3	3.0	3	3.0
Clerical	0	0.0	0	0.0	0	0.0
Budget Authority	$375		$380		$386	
Location of Staff:						
Washington	3	3.0	3	3	3	3.0
Field	0	0.0	0	0	0	0.0
ERS:						
Professional	4	2.7	4	2.7	4	2.7
Clerical	1	0.1	1	0.1	1	0.1
Budget Authority	$397		$400		$404	
Location of Staff:						
Washington	5	2.8	5	2.8	5	2.8
Field	0	0.0	0	0.0	0	0.0
FAS:						
Professional	12	12.0	12	12.0	12	12.0
Clerical	2	2.0	2	2.0	2	2.0
Budget Authority	$1,412		$1,487		$1,487	
Location of Staff:						
Washington	12	12.0				
Field	2	2.0				
FSA:						
Professional	13	13.0	10	10.0	10	10.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$1,804		$ 1,595		$ 1,436	
Location of Staff:						
Washington	10	10.0	9	9.0	9	9.0
Field	4	4.0	2	2.0	2	2.0
RMA:						
Professional	6	6.0	7	7.0	7	7.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$794		$929		$943	
Location of Staff:						
Washington	5	5.0	6	6.0	6	6.0
Field	2	2.0	2	2.0	2	2.0
RD:						
Professional	9	9.3	9	9.3	9	9.3
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$1,227		$1,339		$1,339	
Location of Staff:						
Washington	10	10.0	10	10.0	10	10.0
Field	0	0.0	0	0.0	0	0.0

Agency	2013 Employment	2013 Staff Years	2014 Employment	2014 Staff Years	2015 Employment	2015 Staff Years
NRCS:						
Professional	100	100.0	110	107.0	110	107.0
Clerical	3	3.0	3	3.0	3	3.0
Budget Authority	$9,409		$10,182		$10,258	
Location of Staff:						
Washington	14	14.0	16	15.0	16	15.0
Field	89	89.0	97	95.0	97	95.0
APHIS:						
Professional	13	13.0	13	13.0	12	12.0
Clerical	0	0.0	0	0.0	0	0.0
Budget Authority	$1,497		$1,437		$1,458	
Location of Staff:						
Washington	9	9.0	9	9.0	9	9.0
Field	4	4.0	4	4.0	3	3.0
AMS:						
Professional	7	7.5	7	7.0	7	7.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Authority	$991		$998		$998	
Location of Staff:						
Washington	8	8.0	8	8.0	8	8.0
Field	0	0.0	0	0.0	0	0.0
FSIS:						
Professional	13	8.9	12	8.5	12	8.5
Clerical	3	1.5	2	1.4	2	1.4
Budget Authority	$1,263		$1,513		$1,543	
Location of Staff:						
Washington	16	10.4	14	9.9	14	9.9
Field	0	0.0	0	0	0	0.0
FNS:						
Professional	30	6.2	29	6.0	29	6.0
Clerical	1	0.0	1	0.0	1	0.0
Budget Authority	$753		$771		$771	
Location of Staff:						
Washington	13	2.6	12	2.4	12	2.4
Field	18	3.6	18	3.6	18	3.6
TOTAL, Public Affairs Activities:						
Professional	291	262	299	268	298	267
Clerical	22	19	21	19	21	19
Budget Authority	$32,545		$33,326		$33,395	
Location of Staff:						
Washington	194	176	183	166	183	166
Field	119	105	123	107	122	106

CONGRESSIONAL RELATIONS

Mr. Aderholt: Please provide a table showing the total amount spent on congressional relations and a breakout by Agency, to include projections for fiscal year 2014 and 2015.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
CONGRESSIONAL RELATIONS ACTIVITIES
(Dollars in Thousands)

	2013 Actual				2014 Estimate				2015 Budget			
AGENCY	Employment	Staff Years	Total Staff Years	% of Staff Years	Employment	Staff Years	Total Staff Years	% of Staff Years	Employment	Staff Years	Total Staff Years	% of Staff Years
OSEC:												
Professional	10	10.37			11	11.00			11	11.00		
Clerical	3	3.07			3	3.00			3	3.00		
Total	13	13.44	61	22.03%	14	14.00	64	21.88%	14	14	64	21.88%
Schedule C Positions		6.0				7.0						
Average Cost:												
Professional	$133				$134				$135			
Clerical	$103				$104				$105			
Budget Authority		$2,130				$2,407				$2,473		
ARS:												
Professional	1	1.0			1	1.0			1	1.0		
Clerical	0	0			0	0			0	0		
Total	1	1	7,058	0.01%	1	1	7,450	0.01%	1	1	7,450	0.01%
Schedule C Positions												
Average Cost:												
Professional	$102				$102				$102			
Clerical	$0				$0				$0			
Budget Authority		$102				$102				$102		
NIFA:												
Professional	1	0.6			1	0.4			1	0.6		
Clerical	1	0.1			1	0.1			1	0.1		
Total	2	0.7	387	0.18%	2	0.5	410	0.12%	2	0.7	410	0.17%
Schedule C Positions												
Average Cost:												
Professional	$98				$98				$98			
Clerical	$4				$4				$4			
Budget Authority		$102				$102				$102		
FAS:												
Professional	3	3.0			3	3.0			3	3.0		
Clerical	0	0.0			0	0.0			0	0.0		
Total	3	3.0	961	0.31%	3	3.0	1,039	0.29%	3	3.0	1,039	0.29%
Schedule C Positions												
Average Cost:												
Professional	$110				$112				$112			
Clerical	$0				$0				$0			
Budget Authority		$101				$101				$101		
FSA:												
Professional	0	0.0			0	0.0			0	0.0		
Clerical	1	1.0			1	1.0			1	1.0		
Total	1	1.0	11,942	0.01%	1	1.0	12,416	0.01%	1	1.0	11,557	0.01%
Schedule C Positions												
Average Cost:												
Professional	$160				$162				$163			
Clerical	0				0				0			
Budget Authority		$135				$135				$135		
RMA:												
Professional	1	0.5			1	0.5						
Clerical	0	0.0			0	0.0						
Total	1	0.5	446	0.11%	1	0.5	455	0.11%	0	0.0	467	0.00%
Schedule C Positions												
Average Cost:												
Professional	$38				$38							
Clerical	$0				$0							
Budget Authority		$38				$38						

	2013 Actual				2014 Estimate				2015 Budget			
AGENCY	Employment	Staff Years	Total Staff Years	% of Staff Years	Employment	Staff Years	Total Staff Years	% of Staff Years	Employment	Staff Years	Total Staff Years	% of Staff Years
Professional	3	2.7			3	2.7			3	2.7		
Clerical	0	0			0	0			0	0		
Total	3	2.7	4,726	0.06%	3	2.7	4,776	0.06%	3	2.7	5,026	0.05%
Schedule C Positions												
Average Cost:												
Professional	$143				$135				$135			
Clerical	$0				$0				$0			
Budget Authority		$212				$212				$212		
NRCS:												
Professional	2	1.0			2	1.0			2	1.0		
Clerical	0	0.0			0	0.0			0	0.0		
Total	2	1.0	10,671	0.01%	2	1.0	10,671	0.01%	2	1.0	10,633	0.01%
Schedule C Positions									0	0		
Average Cost:												
Professional	$144				$144				$144			
Clerical	$0				$0				$0			
Budget Authority		$144				$144				$144		
APHIS:												
Professional	3	0.69			3	0.65			3	0.62		
Clerical	0	0			0	0			0	0		
Total	3	0.69	7,171	0.01%	3	0.65	7,541	0.01%	3	0.62	7,508	0.01%
Schedule C Positions												
Average Cost:												
Professional												
Clerical	$155				$159				$160			
Budget Authority		$102				$102				$102		
AMS:												
Professional	2	1.0			2	1.2			2	1.2		
Clerical	0	0			0	0			0	0		
Total	2	1.0	2,367	0.04%	2	1.2	2,493	0.05%	2	1.2	2,493	0.05%
Schedule C Positions												
Average Cost:												
Professional	$86				$104				$104			
Clerical	0				0				0			
Budget Authority		$102				$102				$102		
FSIS:												
Professional	7	5.0			5	2.4			5	4.9		
Clerical	2	0.4			2	0.4			2	0.4		
Total	9	5.4	9,158	0.06%	7	2.8	9,360	0.03%	7	5.3	9,098	0.06%
Schedule C Positions												
Average Cost:												
Professional	$72				$69				$71			
Clerical	$0				$0				$0			
Budget Authority		$212				$212				$212		
FNS:												
Professional	4	1.00			5	1.00			5	1.00		
Clerical	1	0.20			1	0.20			1	0.20		
Total	5	1.20	1,359	0.09%	6	1.20	1,498	0.08%	6	1.20	1,607	0.07%
Schedule C Positions									5			
Average Cost:												
Professional	$178				$178				$178			
Clerical	$34				$34				$34			
Budget Authority		$212				$212				$212		
TOTAL, Congressional Relations Activities:												
Professional	37	26.9			37	24.9			36	27.0		
Clerical	8	4.8			8	4.7			8	4.7		
Total	45	31.6	56,307	0.06%	45	29.6	58,173	0.05%	44	31.7	57,352	0.06%
Schedule C Positions	0	6.0			0	7.0			5	0.0		
Budget Authority		$3,592				$3,869				$3,897		

Mr. Aderholt: Please provide a table that shows the transfers, by agency, from the Office of Congressional Relations, and the amount retained for the immediate Assistant Secretary for fiscal years 2011 through 2014.

Response: The information is provided for the record.

[The information follows:]

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(Dollars in Thousands)

	2011	2012	2013	2014
Farm Service Agency	$172	$146	$135	$135
Foreign Agricultural Service	128	109	101	101
Risk Management Agency	48	41	38	38
Total, Farm and Foreign Agricultural Services	348	296	274	274
Rural Development	271	230	212	212
Food and Nutrition Service	271	230	212	212
Natural Resources Conservation Service	183	156	144	144
Food Safety and Inspection Service	271	230	212	212
Agricultural Research Service	131	111	102	102
National Institute of Food and Agriculture	130	111	102	102
Total, Research, Education and Economics	261	222	204	204
Agricultural Marketing Service	131	111	102	102
Animal and Plant Health Inspection Service	130	111	102	102
Total, Marketing and Regulatory Programs	261	222	204	204
Total Transferred to Agencies	**1,866**	**1,586**	**1,462**	**1,462**
Office of the Assistant Secretary for Congressional Relations				
Congressional Relations	1,587	1,574	1,680	1,957
Intergovernmental Affairs	416	416	450	450
Total, Office of the Assistant Secretary for Congressional Relations	2,003	1,990	2,130	2,407
Total Appropriated	**3,869**	**3,576**	**3,592**	**3,869**

Note: 2013 amounts reflect the effects of two across-the-board rescissions and the March 1, 2013 sequestration.

FARM AND HOUSING LOANS

Mr. Aderholt: Please provide a table showing the amount of direct farm loans, direct housing loans, and direct rural community advancement program loans that have been written off the books from fiscal year 2001 to the present.

Response: The FY 2014 data is as of August 2014. The final data is not available at this time. The information is provided for the record.

[The information follows:]

Farm Service Agency Write-Off FY 2001-2014 Direct Farm Loans (Dollars in Thousands)	
Fiscal Year	**Financing FL**
FY 2001	$332,704
FY 2002	700,311
FY 2003	420,835
FY 2004	314,519
FY 2005	246,297
FY 2006	238,534
FY 2007	187,973
FY 2008	122,209
FY 2009	85,295
FY 2010	92,514
FY 2011	167,183
FY 2012	72,010
FY 2013	172,894
FY 2014	61,776
Total	$3,215,054

Single Family Housing (SFH) Direct
Write-offs FY 2001-2014
(dollars in thousands)

Fiscal Year	Financing SFH
FY 2001	$206,343
FY 2002	224,549
FY 2003	150,870
FY 2004	134,891
FY 2005	93,561
FY 2006	71,846
FY 2007	247,626
FY 2008	43,758
FY 2009	88,258
FY 2010	142,412
FY 2011	181,030
FY 2012	239,686
FY 2013	265,882
FY 2014	212,878
Total	$2,303,590

Business and Industry Loans (B&I)
Direct Write-offs FY 2001-2014
(dollars in thousands)

Fiscal Year	Financing B&I
FY 2001	$1,016
FY 2002	2,244
FY 2003	3,256
FY 2004	9,665
FY 2005	3,678
FY 2006	4,939
FY 2007	21,566
FY 2008	15,334
FY 2009	4,329
FY 2010	1,118
FY 2011	2,047
FY 2012	2,824
FY 2013	929
FY 2014	248
Total	$73,193

Water and Waste (WW) Programs
Direct Write-offs FY 2001-2014
(dollars in thousands)

Fiscal Year	Financing WW
FY 2001	0
FY 2002	$241
FY 2003	1,222
FY 2004	1,156
FY 2005	169
FY 2006	0
FY 2007	1,940
FY 2008	2,245
FY 2009	98
FY 2010	0
FY 2011	1,465
FY 2012	0
FY 2013	1,017
FY 2014	0
Total	$9,553

Direct Community Facilities (CF)
Write-offs FY 2001-2014
(dollars in thousands)

Fiscal Year	Financing CF
FY 2001	$1,385
FY 2002	6
FY 2003	1,398
FY 2004	8,081
FY 2005	3,650
FY 2006	6,867
FY 2007	8,869
FY 2008	14,514
FY 2009	4,306
FY 2010	10,228
FY 2011	15,159
FY 2012	15,316
FY 2013	27,896
FY 2014	5,541
Total	$123,216

OSEC STAFFING

Mr. Aderholt: Provide a table that lists current staff in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position, the identity of appointment, and how they are funded for fiscal years 2011 through 2014.

Response: The following table lists current staff on board in each of the OSEC offices, the position title, the grade level, and the pay costs associated with each position. The table also identifies Presidential Appointments with Senate Confirmation-PAS, Schedule C, Non-career, Career positions, and how they are funded. The table reflects staff on board as of September 30, 2011 for fiscal year 2011; September 30, 2012 for fiscal year 2012; September 30, 2013, for fiscal year 2013, and September 30, 2014, for fiscal year 2014.

IMMEDIATE OFFICE
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Secretary of Agriculture	EX-I	$199,700	$49,925	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	179,700	44,925	OSEC	PAS
Chief of Staff	ES	179,700	44,925	OSEC	Non-Career
Deputy Chief of Staff	ES	179,700	44,925	OSEC	Non-Career
Senior Advisor to the Secretary	ES	152,250	38,062	OSEC	Non-Career
Senior Policy Advisor	ES	152,250	38,063	FS	Non-Career
Chief of Staff to the Deputy Secretary	ES	145,000	36,250	OSEC	Non-Career
Senior Advisor	ES	142,560	35,640	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	RD	Non-Career
Advisor Special Projects	GS-15/03	132,009	33,002	OSEC	Schedule C
White House Liaison	GS-15/03	132,009	33,002	OSEC	Schedule C

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Senior Program Manager for Global Food Securities	GS-15/03	132,009	33,002	FAS	Schedule C
Director of Faith Based	GS-15/03	132,009	33,002	Reimb. Faith Based	Schedule C
Special Assistant	GS-14/08	129,758	32,440	OSEC	Career
Committee Management Officer	GS-14/08	129,758	32,440	Reimb. Advisory	Career
Executive Assistant	GS-12/10	97,333	24,333	OSEC	Career
Deputy Director	GS-12/02	77,368	19,342	Reimb. Faith Based	Career Conditional
Deputy White House Liaison	GS-12/02	77,368	19,342	Reimb. Advisory	Schedule C
Secretary	GS-10/10	73,917	18,479	OSEC	Career
Secretary	GS-10/09	72,022	18,006	OSEC	Career
Staff Assistant	GS-09/02	53,350	13,338	OSEC	Career
Program Assistant	GS-09/01	51,630	12,908	Reimb. Faith Based	Career
Secretary	GS-09/01	51,630	14,198	OSEC	Career
Special Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Program Assistant	GS-07/01	42,209	10,552	Reimb. Faith Based	Career

IMMEDIATE OFFICE
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Secretary of Agriculture	EX-I	$199,700	$49,925	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	179,700	44,925	OSEC	PAS
Chief of Staff	ES	179,700	44,925	OSEC	Non-Career
Deputy Chief of Staff	ES	179,700	44,925	OSEC	Non-Career
Senior Policy Advisor	ES	152,250	38,063	Forest Service	Non-Career
Senior Advisor	ES	142,560	35,640	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	OSEC	Non-Career
Advisor to the Secretary	GS 15/4	136,134	34,034	OSEC	Schedule C
White House Liaison	GS-15/04	136,134	34,034	Reimb Adv Comm	Schedule C
Senior Program Manager for Global Food Securities	GS-15/04	136,134	34,034	FAS	Schedule C
Director of Faith Based	GS-15/04	136,134	34,034	Reimb. Faith Based	Schedule C
Advisor to the Secretary	GS-15/01	123,758	30,940	OSEC	Schedule C
Special Assistant	GS-14/08	129,758	32,440	OSEC	Career
Committee Management Officer	GS-14/08	129,758	32,440	Reimb. Advisory	Career
Deputy White House Liaison	GS-13/02	92,001	23,000	OSEC	Schedule C
Exec Asst to the Secy	GS-13/01	89,033	22,258	OSEC	Schedule C
Executive Assistant	GS-12/10	97,333	24,333	OSEC	Career
Deputy Director	GS-12/03	79,864	19,966	Reimb. Faith Based	Career Conditional

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Staff Assistant	GS-11/02	64,548	16,137	OSEC	Schedule C
Secretary	GS-10/10	73,917	18,479	OSEC	Career
Secretary	GS-10/09	72,022	18,006	Reimb Adv Comm	Career
Secretary	GS-10/03	60,648	15,162	OSEC	Career
Special Assistant	GS-09/02	53,350	13,338	OSEC	Schedule C
Program Assistant	GS-09/02	53,350	13,338	Reimb. Faith Based	Career
Program Support Specialist	GS-09/02	53,350	13,338	Reimb. Faith Based	Schedule C
Staff Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Program Analyst	GS-09/01	51,630	12,908	Forest Service	Schedule C
Program Analyst	GS-09/01	51,630	12,908	Forest Service	Schedule C
Staff Assistant	GS-05/01	34,075	8,519	Forest Service	Schedule C
Program Clerk	GS-04/01	30,456	7,614	Forest Service	Schedule C
Staff Assistant	GS-02/01	24,865	6,216	Forest Service	Schedule C

IMMEDIATE OFFICE
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Secretary of Agriculture	EX-I	$199,700	$49,925	OSEC	PAS
Chief of Staff	EX-II	179,700	44,925	OSEC	Non-Career
Deputy Chief of Staff for Operations	ES	162,500	40,625	OSEC	Non-Career
Deputy Chief of Staff for Policy	ES	162,500	40,625	OSEC	Non-Career
Chief of Staff to the Deputy Secretary	ES	145,000	36,250	OSEC	Non-Career
Senior Policy Advisor	EX-III	165,300	41,325	FS	Non-Career
Senior Advisor	ES	142,560	35,640	OSEC	Non-Career
Advisor to the Secretary	ES	140,000	35,000	OSEC	Schedule C
Special Assistant	GS-14/10	136,771	34,193	OSEC	Career
Deputy White House Liaison	GS-12/04	82,359	20,590	OSEC	Schedule C
White House Liaison	GS-15/02	127,883	31,908	OSEC	Schedule C
Secretary	GS-10/10	73,917	18,479	OSEC	Career
Secretary	GS-10/10	73,917	18,479	Reimb Adv Comm	Career
Secretary	GS-10/04	62,544	15,636	OSEC	Career
Program Analyst	GS-11/02	64,548	16,137	Forest Service	Schedule C
Staff Assistant	GS-09/02	53,350	13,338	OSEC	Schedule C
Staff Assistant	GS-09/02	53,350	13,338	Forest Service	Schedule C
Staff Assistant	GS-04/01	30,456	7,614	Forest Service	Schedule C
Staff Assistant	GS-03/02	28,034	7,009	Forest Service	Schedule C

IMMEDIATE OFFICE
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Secretary of Agriculture	EX-I	$199,700	$49,925	OSEC	PAS
Deputy Secretary of Agriculture	EX-II	179,700	44,925	OSEC	PAS
Chief of Staff	ES	179,700	44,925	OSEC	Non-Career
Deputy Chief of Staff for Operations	ES	162,500	40,625	OSEC	Non-Career
Chief of Staff to the Deputy Secretary	ES	160,000	40,000	OSEC	Non-Career
Deputy Chief of Staff	ES	162,500	40,625	OSEC	Non-Career
Senior Advisor	ES	142,560	35,640	OSEC	Non-Career
White House Liaison	GS-15/03	133,328	33,332	OSEC/ Reimb Adv Comm	Schedule C
Special Assistant	GS-15/03	133,328	33,332	FAS	Schedule C
Director of Faith Based	GS-15/03	133,328	33,332	Reimb. Faith Based	Schedule C
Special Assistant	GS-15/08	154,160	38,540	OSEC	Schedule C
Special Assistant	GS-15/06	145,827	36,457	OSEC	Career
Committee Management Officer	GS-13/03	95,919	23,980	Reimb. Adv Comm	Schedule C
Deputy White House Liaison	GS-12/04	83,183	20,795	Reimb. Adv Comm	Schedule C
Executive Assistant	GS-13/02	92,922	23,251	OSEC	Schedule C
Secretary	GS-11/09	79,916	19,979	OSEC	Career
Secretary	GS-10/10	74,654	18,663	OSEC	Career
Secretary	GS-11/03	67,297	16,824	OSEC	Career
Management Analyst	GS-09/02	53,884	13,471	OSEC	Schedule C
Confidential Assistant	GS-09/01	52,146	13,037	OSEC	Schedule C
Staff Assistant	GS-03/02	28,313	7,078	Reimb. Adv Comm	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Acting Under Secretary	ES	$150,800	$37,700	OSEC	Non-Career
Deputy Under Secretary	ES	147,000	36,750	OSEC	Non-Career
Deputy Under Secretary	ES	140,000	35,000	FSA	Non-Career
Special Assistant	GS-14/06	122,744	30,686	OSEC	Schedule C
Special Assistant	GS-13/04	97,936	24,484	FSA	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Acting Under Secretary	ES	$165,300	$41,325	OSEC	Non-Career
Deputy Under Secretary	ES	152,250	38,062	OSEC	Non-Career
Deputy Under Secretary	ES	147,000	36,750	OSEC	Non-Career
Special Assistant	GS-15/04	136,134	34,034	FSA/FAS/ RMA	Schedule C
Special Assistant	GS-13/02	92,001	23,000	FSA/FAS/ RMA	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	Non-Career
Deputy Under Secretary	ES	152,250	38,062	OSEC	Non-Career
Deputy Under Secretary	ES	147,000	36,750	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC/FSA/ FAS/RMA	Schedule C
Senior Program Manager	GS-15/04	136,134	34,034	FSA/FAS/ RMA	Schedule C

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	ES-III	$165,300	$41,325	OSEC	Non-Career
Deputy Under Secretary	ES	152,250	38,062	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC/FSA/ FAS/RMA	Non-Career
Confidential Assistant	GS-09/01	52,146	13,036	FSA/FAS/ RMA	Schedule C

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	ES	155,000	38,750	OSEC	Non-Career
White House Fellow	GS-14/03	112,224	28,056	FNS	Schedule C
Executive Assistant	GS-12/06	87,350	21,838	OSEC	Career
Staff Assistant	GS-11/04	68,712	17,178	OSEC	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	ES	155,000	38,750	OSEC	Non-Career
Executive Assistant	GS-12/06	87,350	21,838	FNS	Career
Staff Assistant	GS-11/05	70,794	17,699	FNS	Career
Legislative Assistant	GS-07/02	43,616	10,904	FNS	Schedule C

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	GS-15/10	155,500	38,875	OSEC	Non-Career
Senior Advisor	ES	140,000	35,000	FNS	Non-Career
Executive Assistant	GS-12/07	89,846	22,462	OSEC/FNS	Career
Staff Assistant	GS-11/05	70,794	17,699	OSEC/FNS	Career

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	ES	157,100	39,275	FNS	Non-Career
Executive Assistant	GS-12/07	90,744	22,686	OSEC/FNS	Career
Staff Assistant	GS-11/06	73,607	18,402	OSEC/FNS	Career

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,250	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Manager for CODEX Alimentarius	ES	177,833	44,458	FSIS	Career
Executive Assistant	GS-15/03	132,009	33,002	OSEC	Schedule C
Secretary	GS-11/09	79,122	19,781	OSEC	Career
Secretary	GS-11/09	79,122	19,781	FSIS	Career

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,250	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Manager for CODEX Alimentarius	ES	177,833	44,458	FSIS	Career
Chief of Staff	GS-15/04	136,134	34,034	OSEC	Schedule C
Food Safety Ombudsman	GS-14/03	122,099	30,525	OSEC	Schedule C
Secretary	GS-11/09	79,122	19,781	FSIS	Career
Secretary	GS-11/09	79,122	19,781	FSIS	Career

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC	Schedule C
Secretary	GS-11/09	79,122	19,781	FSIS	Career
Secretary	GS-11/10	81,204	20,301	FSIS	Career

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Acting Under Secretary	ES	$145,000	$36,250	OSEC	Non-Career
Secretary	GS-11/10	82,019	20,505	FSIS	Career
Secretary	GS-11/10	82,019	20,505	FSIS	Career

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	GS-15/03	132,009	33,002	OSEC	Schedule C
Special Assistant	GS-14/04	115,731	28,933	FS/NRCS	Schedule C
Staff Assistant	GS-09/01	51,630	12,908	FS/NRCS	Schedule C

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	FS/NRCS	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	GS-15/04	136,134	34,034	OSEC	Schedule C
Special Assistant	GS-14/04	115,731	28,933	FS/NRCS	Schedule C
Special Assistant	GS-13/01	89,033	22,258	FS/NRCS	Schedule C
Staff Assistant	GS-07/01	42,209	10,552	FS/NRCS	Schedule C

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Deputy Under Secretary	ES	$145,000	$36,250	FS/NRCS	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	GS-15/05	140,259	35,065	OSEC	Schedule C
Senior Advisor	GS-15/06	144,385	36,096	FS/NRCS	Schedule C
Special Assistant	ES	140,000	35,000	FS/NRCS	Schedule C
Special Assistant	GS-13/02	92,001	23,000	FS/NRCS	Schedule C
Staff Assistant	GS-07/02	43,616	10,904	FS/NRCS	Schedule C

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	ES	140,000	34,034	OSEC/FS/ NRCS	Non-Career
Senior Advisor	GS-15/06	145,827	36,457	FS/NRCS	Schedule C
Special Assistant	GS-13/03	95,919	23,980	FS/NRCS	Schedule C
Special Assistant	GS-11/01	63,091	15,773	FS/NRCS	Schedule C

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	179,700	44,925	OSEC	Career
Director, Office of the Chief Scientist	ES	160,336	40,084	ARS/NIFA/ ERS/NASS	Career
Chief of Staff	GS-15/04	136,134	34,752	ARS/NIFA/ ERS/NASS	Schedule C
Special Assistant	GS-12/01	74,872	18,718	OSEC	Schedule C

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	179,700	44,925	OSEC	Career
Senior Advisor	ES	165,300	41,325	ARS/NIFA/ ERS/NASS	Non-Career
Chief of Staff	GS-15/01	123,758	30,940	OSEC	Schedule C
Confidential Assistant	GS-12/01	74,872	18,718	ARS/NIFA/ ERS/NASS	Schedule C

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	179,700	44,925	OSEC	Career
Senior Advisor	ES	165,300	41,325	ARS/NIFA/ ERS/NASS	Non-Career
Supervisory Specialist	ES	165,300	41,325	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC	Schedule C
Confidential Assistant	GS-12/02	77,368	19,342	ARS/NIFA/ ERS/NASS	Schedule C
Office Automation Clerk	GS-05/01	34,075	8,519	OSEC	Schedule C

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	181,500	45,375	OSEC	Career
Supervisor Natural Resources	ES	165,300	41,325	ARS/NIFA/ ERS/NASS	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC/ARS/ NIFA/ERS/ NASS	Schedule C
Confidential Assistant	GS-07/01	42,631	10,658	OSEC	Schedule C
Confidential Assistant	GS-05/02	35,563	8,891	ARS/NIFA/ ERS/NASS	Schedule C

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	150,800	37,700	OSEC	Non-Career
Director, Economic and Community Development	GS-15/04	136,134	34,034	RD	Schedule C
Chief of Staff	GS-15/03	132,009	33,002	OSEC	Schedule C
Confidential Assistant	GS-12/01	74,874	18,719	RD	Schedule C
Consultant	EF-0/0	45,374	11,344	RD	Schedule B

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,625	OSEC	PAS
Deputy Under Secretary	ES	152,250	38,063	OSEC	Non-Career
Deputy Under Secretary	ES	150,800	37,700	OSEC	Non-Career
Senior Advisor	GS-15/10	155,500	38,875	RD	Schedule C
Director, Legislative and Public Affairs	GS-15/06	144,385	36,096	RD	Schedule C
Chief of Staff	GS-15/04	136,134	34,034	RD	Schedule C
Special Assistant for Energy Program	GS-13/03	94,969	23,742	RD	Schedule C

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Administrator	EX-IV	$155,500	$38,875	RD	Non-Career
Deputy Under Secretary	ES	152,250	38,063	OSEC	Non-Career
Deputy Under Secretary	ES	155,000	38,750	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC/RD	Non-Career
Senior Advisor	GS-15/10	155,500	38,875	RD	Schedule C
Director	GS-15/06	144,385	36,096	RD	Schedule C
National Coordinator	GS-14/02	108,717	27,179	RD	Schedule C
Special Assistant for Energy Program	GS-13/04	97,936	24,484	OSEC	Schedule C
Special Assistant	GS-11/01	62,467	15,617	RD	Schedule C
Special Assistant	GS-11/01	62,467	15,617	OSEC	Schedule C

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Deputy Under Secretary	ES	$152,250	$38,063	OSEC	Non-Career
Deputy Under Secretary	ES	155,000	38,750	OSEC	Non-Career
Senior Advisor	GS-15/10	157,100	39,275	RD	Schedule C
Chief of Staff	ES	140,000	35,000	OSEC/RD	Schedule C
Director, Legislative and Public Affairs	GS-15/06	145,827	36,457	RD	Schedule C
National Coordinator	GS-14/02	109,804	27,451	RD	Schedule C
Special Assistant for Energy Program	GS-13/04	98,916	24,729	RD	Schedule C
Special Assistant	GS-11/02	65,194	16,299	OSEC	Schedule C
Special Assistant	GS-11/01	63,091	15,773	RD	Schedule C

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	149,350	37,338	OSEC	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Staff Assistant	GS-15/01	113,735	28,434	AMS/APHIS/ GIPSA	Career
Program Specialist	GS-14/04	115,731	28,933	AMS/APHIS/ GIPSA	Career
Program Specialist	GS-13/03	94,969	23,742	AMS/APHIS/ GIPSA	Career
Staff Assistant	GS-11/01	62,467	15,617	AMS/APHIS/ GIPSA	Career
Program Specialist	GS-11/01	62,467	15,617	AMS/APHIS/ GIPSA	Schedule C

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Program Specialist	GS-14/05	119,238	29,810	AMS/APHIS/ GIPSA	Career
Senior Advisor	GS-14/01	105,211	26,303	OSEC	Schedule C
Program Specialist	GS-13/03	94,969	23,742	AMS/APHIS/ GIPSA	Career
Confidential Assistant	GS-13/02	92,001	23,000	AMS/APHIS/ GIPSA	Schedule C
Program Specialist	GS-11/02	64,548	16,137	AMS/APHIS/ GIPSA	Schedule C
Staff Assistant	GS-11/01	62,467	15,617	AMS/APHIS/ GIPSA	Career
Program Asst.	GS-4/1	30,456	7,614	AMS/APHIS/ GIPSA	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Under Secretary	ES	145,000	36,250	OSEC	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC/AMS/ APHIS/ GIPSA	Schedule C
Program Specialist	GS-14/05	119,238	29,810	AMS	Career
Program Specialist	GS-13/04	97,936	24,484	AMS/APHIS/ GIPSA	Career
Staff Assistant	GS-11/02	64,548	16,137	AMS/APHIS/ GIPSA	Career

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Under Secretary	EX-III	$165,300	$41,325	OSEC	PAS
Deputy Secretary	ES	145,000	36,250	OSEC	Non-Career
Deputy Under Secretary	ES	145,000	36,250	OSEC/AMS/ APHIS/ GIPSA	Non-Career
Chief of Staff	ES	140,000	35,000	OSEC	Schedule C
Senior Advisor	GS-14/04	116,887	29,222	AMS/APHIS/ GIPSA	Schedule C
Program Specialist	GS-14/06	134,878	33,720	AMS/APHIS/ GIPSA	Schedule C
Program Specialist	GS-13/04	98,916	24,729	OSEC AMS/APHIS/ GIPSA	Career
Staff Assistant	GS-11/02	65,194	16,299	AMS/APHIS/ GIPSA	Schedule C
Confidential Assistant	GS-09/02	53,884	13,471	AMS/APHIS/ GIPSA	Schedule C

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	179,700	44,925	OSEC	Career
Associate Assistant Secretary	ES	179,700	44,925	Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	155,000	38,750	OSEC	Non-Career
Deputy Director Cultural Transformation	ES	133,900	33,475	Greenbook Reimb.	Non-Career
Special Assistant	GS-15/10	155,500	38,875	Greenbook Reimb.	Career
EEO Specialist	GS-14/09	133,264	33,316	Forest Service	Career
Horticulturist	GS-14/09	133,264	33,316	Greenbook Reimb.	Career
Management Analyst	GS-12/01	74,872	18,718	Greenbook Reimb.	Career
Secretary	GS-12/01	74,872	18,718	DM Staff Offices	Career
Executive Assistant	GS-09/01	51,630	12,908	DM Staff Offices	Career
Secretary	GS-08/08	57,649	14,412	Greenbook Reimb.	Career

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Acting Assistant Secretary	ES	$179,700	$26,277	OSEC	Career
Deputy Assistant Secretary	ES	179,700	44,925	OSEC	Career
Associate Assistant	ES	179,700	44,925	Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	155,000	38,750	OSEC	Non-Career
Special Assistant	ES	133,900	33,475	Greenbook Reimb.	Non-Career
Special Assistant	GS-15/07	136,483	34,121	Forest Service	Schedule C
Chief of Staff	GS-15/04	136,134	34,034	DM Staff Offices	Schedule C
Horticulturist	GS-14/09	133,264	33,316	Greenbook Reimb.	Career
Program Analyst	GS-14/01	105,211	26,303	Greenbook Reimb.	Schedule C
Special Asst.	GS-13/01	89,033	22,258	Greenbook Reimb	Schedule C
Management Analyst	GS-12/01	74,872	18,718	Grenbook Reimb.	Career
Secretary	GS-11/08	77,040	19,260	Greenbook Reimb.	Career
Equal Employment Specialist	GS-11/01	59,987	14,997	Forest Service	Schedule C
Management Analyst	GS-11/01	62,467	15,617	DM Staff Offices	Schedule C
Confidential Asst.	GS-11/01	62,467	15,617	DM Staff Offices	Schedule C
Equal Employment Specialist	GS-09/10	64,450	16,113	Forest Service	Schedule C
Executive Assistant	GS-09/01	51,630	12,908	Admin.	Career
Management Analyst	GS-09/01	51,630	12,907	Greenbook Reimb.	Schedule C
Staff Assistant	GS-05/01	34,075	8,519	Greenbook Reimb	Schedule C
Staff Assistant	GS-05/01	34,075	8,519	Forest Service	Schedule C

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Acting Assistant Secretary	ES	$179,700	$26,277	OSEC/WCF/ Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	179,700	44,925	OSEC/WCF/ Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	155,000	38,750	OSEC	Non-Career
Deputy Chief of Staff	ES	140,000	35,000	OSEC/WCF/ Greenbook Reimb.	Non-Career
Special Assistant	GS-15/07	136,483	34,121	Forest Service	Schedule C
Senior Advisor	GS-15/05	$140,259	35,065	Greenbook Reimb.	Schedule C
Senior Advisor	GS-15/04	136,134	34,034	Greenbook Reimb.	Schedule C
Management Analyst	GS-12/02	77,368	19,342	Greenbook Reimb.	Career
Executive Assistant	GS-11/01	62,467	15,617	OSEC/WCF/ Greenbook Reimb.	Career
Secretary	GS-11/08	77,040	19,260	Greenbook Reimb.	Career
Confidential Asst.	GS-13/01	89,033	22,258	OSEC/WCF/ Greenbook Reimb.	Schedule C
Staff Assistant	GS-05/01	34,075	8,519	Greenbook Reimb.	Schedule C
Staff Assistant	GS-05/01	34,075	8,519	OSEC/WCF/ Greenbook Reimb.	Schedule C

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	ES	$181,500	$45,375	OSEC/WCF/ Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	181,500	45,375	OSEC/WCF/ Greenbook Reimb.	Career
Deputy Assistant Secretary	ES	155,000	44,925	OSEC	Non-Career
Chief of Staff	ES	140,000	40,625	OSEC/WCF/ Greenbook Reimb.	Non-Career
Senior Advisor	GS-15/05	141,660	35,415	Greenbook Reimb.	Schedule C
Senior Advisor	GS-15/05	141,660	35,415	Greenbook Reimb	Schedule C
Management Analyst	GS-12/03	80,662	20,166	Greenbook Reimb.	Career
Special Assistant	GS-13/02	92,922	23,231	OSEC	Schedule C
Executive Assistant	GS-11/02	65,194	16,299	OHSEC	Career
Management Analyst	GS-13/03	95,919	23,980	OSEC/WCF/ Greenbook Reimb.	Schedule C
Secretary	GS-11/09	79,916	19,979	Greenbook Reimb.	Career
Secretary	GS-11/04	69,400	17,350	OSEC	Career

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	155,000	38,750	OSEC	Non-Career
Special Assistant	GS-13/04	97,936	24,484	OSEC	Schedule C
Special Assistant	GS-13/02	92,001	23,000	Civil Rights	Schedule C
Administrative Specialist	GS-12/10	99,333	24,833	Civil Rights	Career
Executive Assistant	GS-12/08	92,341	23,085	Civil Rights	Career
Compliance Analyst Specialist	GS-09/02	53,350	13,338	Civil Rights	Schedule C

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Senior Advisor	GS-14/01	105,211	26,303	OSEC	Schedule C
Administrative Specialist	GS-12/10	97,333	24,333	Civil Rights	Career
Executive Assistant	GS-12/08	92,341	23,085	Civil Rights	Career
Compliance Analysis Specialist	GS-09/02	53,350	13,338	Civil Rights	Schedule C

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	145,000	36,250	OSEC	Schedule C
Administrative Specialist	GS-12/10	97,333	24,333	OSEC	Career

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	160,000	40,000	OSEC	Schedule C
Special Assistant	GS-12/03	80,662	20,166	OSEC	Schedule C

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Deputy Assistant Secretary	ES	$149,350	$46,508	OSEC	Non-Career
Senior Advisor	ES	148,510	37,128	RD	Career
Director, Intergovernmental Affairs	GS-15/06	144,385	40,125	OSEC	Schedule C
Senior Advisor for Labor Affairs	GS-15/04	136,134	34,034	RD	Schedule C
Special Assistant	GS-15/01	123,758	30,093	OSEC	Schedule C
Deputy Director, Intergovernmental Affairs	GS-14/01	105,211	32,279	OSEC	Schedule C
Special Assistant	12/05	84,855	21,214	OSEC	Career
Secretary	GS-12/03	79,864	19,966	OSEC	Career
Staff Assistant	GS-12/01	74,872	18,718	OSEC	Schedule C
Special Assistant	GS-11/07	74,958	18,740	OSEC	Schedule C
Special Assistant	GS-11/07	74,958	18,740	OSEC	Career
Legal Analyst	GS-11/02	64,548	16,137	OSEC	Schedule C
Transportation Assistant	WG-08/05	52,976	13,244	OSEC	Career
Legislative Analyst	GS-07/02	43,616	10,904	OSEC	Career
Staff Assistant	GS-07/01	42,209	10,552	OSEC	Schedule C
Legislative Analyst	GS-07/01	42,209	10,552	OSEC	Schedule C

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	ES	165,300	41,325	RD	Career
Director, Intergovernmental Affairs	GS-15/06	144,385	36,096	OSEC	Schedule C
Confidential Assistant	GS-13/05	100,904	25,226	OSEC	Schedule C
Special Assistant	GS-13/01	89,033	22,258	OSEC	Schedule C
Confidential Assistant	GS-13/01	89,033	22,258	OSEC	Schedule C
Special Assistant	GS-12/06	87,350	21,838	OSEC	Career
Secretary	GS-12/04	82,359	20,590	OSEC	Career
Staff Assistant	GS-11/07	74,958	18,740	OSEC	Schedule C
Special Assistant	GS-11/07	74,958	18,740	OSEC	Career
Staff Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Staff Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Transportation Assistant	WG-08/05	52,976	13,244	OSEC	Career
Student Training	GS-01/01	22,115	5,529	OSEC	Schedule C

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$179,700	$44,925	OSEC	PAS
Deputy Assistant Secretary	ES	149,350	37,338	OSEC	Non-Career
Senior Advisor	ES	165,300	41,325	RD	Career
Director, Intergovernmental Affairs	GS-15/07	148,510	37,128	OSEC	Schedule C
Deputy Director	GS-15/5	$140,259	35,065	OSEC	Schedule C
Confidential Assistant	GS-14/01	105,211	26,303	OSEC	Schedule C
Special Assistant	GS-12/06	87,350	21,838	OSEC	Career
Secretary	GS-12/04	82,359	20,590	OSEC	Career
Special Assistant	GS-11/07	74,958	18,740	OSEC	Career
Staff Assistant	GS-11/01	62,467	15,617	OSEC	Schedule C
Staff Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Staff Assistant	GS-09/01	51,630	12,908	OSEC	Schedule C
Transportatión Assistant	WG-08/06	53,534	13,384	OSEC	Career

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Assistant Secretary	EX-IV	$155,500	$38,875	OSEC	PAS
Deputy Assistant Secretary	ES	149,350	37,338	OSEC	Non-Career
Director, Intergovernmental Affairs	GS-15/07	144,385	37,498	OSEC	Schedule C
Deputy Director	GS-15/05	141,660	35,415	OSEC	Schedule C
Administrative Specialist	GS-12/01	75,621	18,905	OSEC	Schedule C
Confidential Assistant	GS-12/01	75,621	18,906	OSEC	Schedule C
Confidential Assistant	GS-11/02	65,194	16,299	OSEC	Schedule C
Secretary	GS-12/05	85,703	21,426	OSEC	Career
Legislative Analyst	GS-09/01	52,146	13,037	OSEC	Schedule C
Staff Assistant	GS-09/02	53,884	13,471	OSEC	Schedule C
Transportation Assistant	Gs-08/06	55,082	13,771	OSEC	Career
Confidential Assistant	GS-07/03	45,473	11,368	OSEC	Schedule C

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2011

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Senior Advisor for Tribal Issues	ES	$145,000	$36,250	OTR	Non-Career
Program Specialist	GS-13/05	100,904	25,226	Greenbook Reimb.	Career
Program Specialist	GS-13/03	87,278	21,820	OTR	Career
Management Analyst	GS-09/01	51,630	12,908	OTR	Career

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2012

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Senior Advisor for Tribal Issues	ES	$145,000	$36,250	OTR	Non-Career
Director, Tribal Relations	GS-15/04	136,134	34,034	OTR	Schedule C
Program Specialist	GS-13/04	90,005	21,820	OTR/FS	Career
Management Analyst	GS-11/01	62,467	15,617	OTR	Career

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2013

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Director, Tribal Relations	ES	$155,000	$38,750	OTR	Non-Career
Program Specialist	GS-13/04	90,005	21,820	OTR/FS	Career
Management Analyst	GS-11/02	64,548	16,137	OTR	Career

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2014

TITLE	GRADE	SALARY	BENEFITS	FUNDED BY	APPOINTMENT
Director, Tribal Relations	ES	$155,000	$38,750	OTR	Non-Career
Management Analyst	GS-12/01	75,621	18,905	OTR	Career
Staff Assistant	GS-05/1	34,415	8,604	OTR	Career

ADVISORY COMMITTEES

Mr. Aderholt: For the record, please provide a list of all advisory committees, panels, task forces, and commissions that are funded in FY 2011 through 2014. Indicate those that are mandated by law and those that are discretionary as well as the funding level of each. Also list each advisory committee, panel, task force and commission that you propose to operate in FY 2015 and the proposed budget for each.

Response: Information on all advisory committees, panels, task forces, and commissions that were funded in fiscal year 2011, 2012, 2013, and estimated for 2014 follow. Operations for fiscal year 2015 will be considered after final Congressional action. Additionally, pursuant to guidance from the Administrative Conference of the United States and the General Services Administration funding will be invested in greater use of technology to make Federal advisory committees more transparent to the public.

[The information follows:]

ALLOCATION OF THE USDA ADVISORY COMMITTEE LIMITATION

ee	Authority Statutory (S) or Discretionary (D)	FY 2011	FY2012	FY2013	FY 2014
VICES:					
ternal, Infant, and Fetal Nutrition..............	S 42 U.S.C 1786	$50,000	$75,000	$75,000	$75,000
Meat and Poultry Inspection.......................	S 21 U.S.C. 454 (a) (4)	68,000	50,000	50,000	50,000
Microbiological Criteria for Foods................	D Departmental Regulation 1043-28	160,000	200,000	120,000	120,000
S:					
Council..	S 16 U.S.C. 582Aa-4	65,000	0	0	0
chnology and 21st Century Agriculture............	D Departmental Regulation 1043-049	286,000	274,000	274,000	274,000
cultural Statistics.............................	D Departmental Regulation 1043-130	35,000	70,000	70,000	70,000
S:					
s Advisory Committee.............................	D Departmental Regulation 1043-27	24,000	43,600	43,600	43,600
on the National Poultry Improvement Plan..........	D Departmental Regulation 1043-8	8,500	33,000	20,000	25,000
mal Health and Poultry Disease....................	D Departmental Regulation 1043-31	35,000	45,000	60,000	60,000
Board..	S 7 U.S.C 2101	90,000	190,000	190,000	190,000
y Advisory Committee.............................	D Departmental Regulation 1042-139	70,000	96,000	96,000	96,000
Advisory Committee...............................	D Departmental Regulation 1043-032	0	0	55,000	0
Advisory Committee...............................	S 7 U.S.C 2101	47,000	40,000	50,000	50,000
RVICES:					
y Committee for Trade............................	S 19 U.S.C 2101	18,520	50,550	24,982	24,982
sory Committees for Trade........................	S 19 U.S.C2101	111,120	124,300	149,868	149,868
ing Markets......................................	S 7 U.S.C 1421	25,000	20,000	0	10,000
Labor and Forced Labor...........................	S 22 U.S.C 7101	14,000	0	0	0
mittee...	S 7 U.S.C.1911	100,000	0	0	0
ral Export Excellence Award Board................	S 7 U.S.C 5678	0	20,000	0	10,000
T:					
Quality Research.................................	S 7 U.S.C. 5405	180,000	150,000	150,000	150,000
s and Universities...............................	Agency- Discretionary	23,000	20,941	20,000	20,000
tee..	S 7 U.S.C 2279	0	84,000	0	84,000
tee..	S 7 U.S.C 1929	80,000	101,000	101,000	101,000
Farmers and Ranchers.............................	D Memorandum of Agreement dated 10/96	80,000	112,000	112,000	112,000
		1,570,140	1,799,391	1,661,450	1,715,450
....		229,860	609	138,550	84,550
THE STATUTORY CAP................................		$1,800,000	$1,800,000	$1,800,000	$1,800,000

OUTSIDE COUNSEL

Mr. Aderholt: Please provide the name and firm of any outside counsel hired by the Department in FY 2012, FY 2013, and 2014, the total amount paid for their services, and the reason they were hired.

Response: The following information is provided for the record. FY 2014 actual data is currently not available.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
Agricultural Marketing Service		Kalijarvi, Chuzi, & Newman, P.C.	50.0	$2,500.00	Per EEO Settlement agreement
Agricultural Research Service	Ben Alston and Charles Byrd	Alston & Byrd	265.0	100.0	Provide USDA/ARS/HRD legal representation to assist the Agency in the matter of the Arbitration Local 3147 re FCMS Case 07-04620-1
Foreign Agricultural Service	Thawat Damsa-ard, Partner	Tilleke & Gibbins International, LTD	1.4	0.0	Claims Preservation and debt collection representing CCC in Bankruptcy proceedings of defaulting Thai importers under Supplier
Foreign Agricultural Service	Michael Kharenko, Partner	Savenko Kharenko	32.0	21.5	Claims Preservation and debt collection: Assisting CCC in restructuring debt owed by 2 defaulting Ukrainian banks under the GSM - 102
Foreign Agricultural Service	Shane DeBeer, Partner	Dechert Russia LLC Moscow Branch	200.0	115.0	Claims Preservation and debt collection: Assisting CCC in restructuring debt owed by 2 defaulting Russian banks under the GSM - 102
Food, Nutrition and Consumer Service	Tom Magnetti	NMR Consulting, Inc.	80.0	62.0	Support services related to litigation and other legal services to the FNS Human Resources Division (HRD)
Food Safety & Inspection Service		The Law Offices of Gary M. Gilbert & Associates, P.C.	0.0	297.7	Contractor support to augment agency legal resources for contract litigation to defend FSIS in third party representation before EEOC, MSPB, and FLRA
Office of the Assistant Secretary for Civil Rights	Erwin Jansen	Law Firm of Erwin Jansen	10.5	0.0	Hired to review findings of discrimination in employment complaints to determine if legally sufficient
USDA/Rural Development - RHS	N/A	Foreman Watson Land Title	12.15	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Alan Daut	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Albrecht & Weegar	Albrecht & Weegar	11.56	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Allbee, Barclay, etal	Allbee, Barclay, etal	0.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Altwegg & Anderson	Altwegg & Anderson	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Bainter & Thomas Law Office	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Barnett, Bugg Lee & Carter	Barnett, Bugg Lee & Carter	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Basin Land Title	Basin Land Title	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Bonfrisco Law Firm LLC	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Bradford Webb	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Bradford Webb	Sole Practitioner	112.14	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Brantley, William I.	Sole Practitioner	0.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	BS Brown Atty at Law	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Bush, Willis Wayne, PC	Sole Practitioner	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development - RHS	C. Bjornstad	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Cooper, Coffas, Moore & Gray	Cooper, Coffas, Moore & Gray	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Craig, Deachman & Amann	Craig, Deachman & Amann	2.06	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Darby, Shirley D	Sole Practitioner	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Druid Title Company	Firm	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	E. Droxel Meadows	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Elwood	Elwood & White	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Fendley, George W, III	Sole Practitioner	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Flavia Logie	Sole Practioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Foss, Kuiken, Gookin, & Cochran	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Gavin, Mitchell E	Sole Practitioner	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Gil A. Mercado	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Graham Abstract	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Graham Law Firm, LLC	Graham Law Firm, LLC	0.53	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Henderson, Diane	Sole Practitioner	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Henry M. Fisher	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Heronimus	Schmidt & Harris	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Jack E. McLamb III	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Jackson & Jackson, LLP	Jackson & Jackson, LLP	0.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	James Keele	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	James Peters	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Jim Ellis	Street & Ellis	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Jim Ellis	Street & Ellis	59.06	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	John Martin	Kyle and Martin	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Johnson, Motezuma	Sole Practioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Johnston	Johns & Lane	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Jones & Milwee, LLC	Jones & Milwee, LLC	0.60	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Josephine Greenley	Sole Practioner	0.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Judy Shawver	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Koborst	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Kuckelman	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development - RHS	Lambert/Sommer/Olsen	Roth Crabtree Olsen	24.10	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Larry Wheatley	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Larry Wheatley	Sole Practitioner	43.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Law Office of Kneeland Taylor	Sole Practitioner	23.39	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Law Office of Rick D. Sherman	Sole Practitioner	0.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Lester Weinstine	Weinstine & Wiebenga	23.26	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Lightfoot & Nichols	Lightfoot & Nichols	0.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Lynch Law	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Lynch, Greenleaf, & Michael	Lynch, Greenleaf, & Michael	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Mark T. Lowder	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Marks, James	Sole Practitioner	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Matthews, William G.	Sole Practitioner	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	McCoy, Faulkner & Broerman	McCoy, Faulkner & Broerman	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	McCurdy	Porteous Law Office, PLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Michael Bonfrisco	Bonfrisco Law Firm	245.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Minor, Bell & Neal, PC	Minor, Bell & Neal, PC	0.15	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Moses D. Lassiter	Moses D. Lassiter	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Norelius & Nelson	Norelius & Nelson	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Patrick Bourick	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Pedro E. Cintron	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Porteous Law (McCurdy)	Porteous Law (McCurdy)	18.11	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Ralph Phillips	Sole Practitioner	0.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Rande McAllister	Sole Practioner	0.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Rensink	Rensink, Plum, & Vogel	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Ric Leverick, Esq.	Leverick & Musselman, PC	43.91	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Richard Broderick	Broderick & Broderick, P.A Attorneys at Law	12.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Richard Swenson	Swenson & Whitacre	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Robert C. Becker, Jr.	Sole Practitioner	25.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Robert E. Price	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Robert Hill	Hill & Rainey, P.C.	55.42	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Running Wise & Ford	Running Wise & Ford	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development - RHS	Running Wise & Ford	Running Wise & Ford	45.02	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Rutland Law, LLC	Rutland Law, LLC	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Scheuerle & Zita	Scheuerle & Zita	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Schneiderman & Sherman	Schneiderman & Sherman	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Scott Fouser	Fouser Law Office	22.84	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Scott Law Firm	Scott Law Firm	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Security Title	Security Title	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Shannon Reasor	Sole Practitioner	21.98	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Shechtman Halperin Savage	Shechtman Halperin Savage	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Shimanek	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Stamey & Foust	Stamey & Foust	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Steen Waehaerl, Schreider-Fox	Steen Waehaerl, Schreider-Fox	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Stephen D. Miles	Sole Practioner	466.83	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Stephen D. Miles	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Steve Kahler	Sole Practioner	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Susan Weibe	Sole Practioner	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	T.R. Murphy	Watson & Murphy	31.57	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Taylor, Brinson, & Deloatch	Taylor, Brinson, & Deloatch	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	TD Service Compnay	TD Service Company	46.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Thomas L. Lehman	Sole Practitioner	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Thompson & Associates	Thompson & Associates	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Thornton, Jerry L	Sole Practitioner	0.23	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Tinney, John	Sole Practitioner	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	United Title	United Title	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Walker & Billingsley	Walker, Billingsley & Bair	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	White & Allen	White & Allen	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Whitfield & Eddy	Whitfield & Eddy	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Whitfield & Eddy PLC	Whitfield & Eddy PLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Wilkes, H. Kenneth	Sole Practitioner	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Windy Rose	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Winegarden Shedd Haley	Winegarden Shedd Haley	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development - RHS	Winegarden Shedd Haley	Winegarden Shedd Haley	26.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	N/A	Pioneer Title Company	0.32	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	N/A	Alliance Title & Escrow	1.49	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development - RHS	Richard Broderick	Broderick & Broderick	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Barnett, Bugg Lee & Carter	Barnett, Bugg Lee & Carter	-	0.15	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Brantley, William L	Sole Practitioner	-	0.13	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Braswell, Bradley S	Sole Practitioner	-	0.30	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Brogden, Robert	The Brogden Law Firm, LLC	-	0.25	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Greiss, Walter	Greiss & Shaw, PC	-	1.05	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Harrison, Betsy M	Harrison, Betsy M	-	0.25	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Jones & Milwee, LLC	Jones & Milwee, LLC	-	0.30	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Marks, James	Sole Practitioner	-	0.53	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Poole & Poole	Poole & Poole	-	0.25	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Shelby County Abstract & Title Co	Shelby County Abstract & Title Co	-	0.13	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Sims III, Charles H	Sole Practitioner	-	0.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Strawbridge, Strawbridge & Strawb	Strawbridge, Strawbridge & Strawbrid	-	0.13	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Thompson & Associates	Thompson & Associates	-	0.45	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALABAMA	Tuscaloosa Title Co., Inc.	Tuscaloosa Title Co., Inc.	-	0.45	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	Kneeland Taylor	Law Office of Kneeland Taylor	23.39	31.34	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	Kneeland Taylor	Law Office of Kneeland Taylor	20.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	0.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	(0.31)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	(0.27)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	(0.33)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	(0.14)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	(0.49)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	0.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ALASKA	N/A	KNEELAND TAYLOR PC, LAW OFFICE OF	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARIZONA	Crosby & Gladner, P.C.	Sole Practitioner	-	8.41	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARIZONA	Crosby & Gladner, P.C.	Sole Practitioner	4.74	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARIZONA	Dominguez Law Firm, P.C.	Sole Practitioner	-	11.29	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARIZONA	Dominguez Law Firm, P.C.	Sole Practitioner	5.53	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARIZONA	Law Offices of Rick D. Sherman	Sole Practitioner	-	5.35	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARKANSAS	Dyke Henry Goldsholl&Winzerling Pl	Dyke Henry Goldsholl&Winzerling PLC	-	34.03	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARKANSAS	Dyke Henry Goldsholl&Winzerling Pl	Dyke Henry Goldsholl&Winzerling PLC	96.27	0.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARKANSAS	Mickel Law Firm, P.A.	Mickel Law Firm P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ARKANSAS	Mickel Law Firm, P.A.	Mickel Law Firm P.A.	57.08	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development CALIFORNIA	N/A	MERIDIAN FORECLOSURE SERVICE	66.54	36.28	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development CALIFORNIA	N/A	FIDELITY NATIONAL TITLE	71.29	55.46	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DC	N/A	HILLS STERN MORLEY	0.10	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DC	N/A	HILLS STERN MORLEY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	11.90	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	1.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	4.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	1.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	1.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	1.58	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	0.02	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development DELAWARE	N/A	STREET & ELLIS, P.A.	3.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	Douglas Zahm	Sole Practioner	-	5.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	John Murphy	Boswell & Dunlap LLC	201.00	262.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	WEST FLORIDA ENTERPRISES, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	5.16	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	3.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	4.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	FIRST AMERICAN TITLE INSURANCE CO	16.84	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	2.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	N/A	BOSWELL & DUNLAP LLP	2.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development FLORIDA	Neal Young	Sole Practioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Adams & Adams, LLP	Adams & Adams, LLP	4.83	2.80	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Adams, Ellard & Frankum	Adams, Ellard & Frankum	1.40	4.80	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Alexandar, Royston, Hardman	Alexandar, Royston, Hardman	6.00	5.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Alexandar, Royston, Hardman	Alexandar, Royston, Hardman	6.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Beck, Owen & Murray	Beck, Owen & Murray	1.25	1.75	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Callaway, Neville & Brinson	Callaway, Neville & Brinson	0.80	2.55	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Collier & Gamble	Collier & Gamble	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Dan Bennett, Atty	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	David Bridsendine	Sole Practitioner	1.50	3.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Divine Finney & Dorough PC	Divine Finney & Dorough PC	0.39	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Edwin J. Perry III	Sole Practitioner	1.39	5.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Haygood Lynch Harris Melton	Haygood Lynch Harris Melton	1.90	1.15	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Hitchcock & Hitchcock	Hitchcock & Hitchcock	0.53	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Jack T. Brumlow	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Jack T. Brumlow	Sole Practitioner	0.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development GEORGIA	Jay P. Wells	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Jay, Sherreell, Smith & Braddy	Jay, Sherreell, Smith & Braddy	0.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Jerome Adams, Atty	Sole Practitioner	3.24	10.07	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	John F. Mahan	Sole Practitioner	2.60	4.45	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	John J. Pilcher II	Sole Practitioner	1.58	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Karen D. Nissen	Sole Practitioner	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Kimzey, Kimzey & York	Kimzey, Kimzey & York	1.33	2.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Kirbo, Kendrick, LLC	Kirbo, Kendrick, LLC	0.18	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Knox & Swan	Knox & Swan	0.45	2.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	McClure, Ramsey, Dickerson	McClure, Ramsey, Dickerson	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Nancy C. Maddox	Sole Practitioner	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Patricia Bryant, Atty	Sole Practitioner	1.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Ralph Phillips	Sole Practitioner	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Randall Chew	Sole Practitioner	0.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Ratchford & Rafter	Ratchford & Rafter	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Ridgeway & Ridgeway	Ridgeway & Ridgeway	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Smith, Welch & Brittain	Smith, Welch & Brittain	0.53	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Thomas L. Lehman	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GEORGIA	Wood, Odom & Edge, PA	Wood, Odom & Edge, PA	0.60	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GUAM	N/A	MCCULLY & BEGGS, PC	-	12.37	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GUAM (serviced by HAWAII)	June Mair	Mair, Mair, Spade & Thompson	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GUAM (serviced by HAWAII)	June Mair	Mair, Mair, Spade & Thompson	9.80	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GUAM (serviced by HAWAII)	Mark Beggs	McCully & Beggs, P.C.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development GUAM (serviced by HAWAII)	Mark Beggs	McCully & Beggs, P.C.	9.52	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Alliance Title & Escrow Corp	Alliance Title & Escrow	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Baker Harris Law Offices	Baker Harris Law Offices	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	First American Title	First American Title	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Fouser Law Offices	Fouser Law Offices	-	21.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Hall, Friedly & Ward	Hall, Friedly & Ward	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Jay Q. Sturgell, PA	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IDAHO	Larry Ashcraft	Ashcraft & Miller, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development ILLINOIS	Craig Bartelsmeyer	Craig & Bartelsmeyer, P.C	-	4.95	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	Craig Bartelsmeyer	Craig& Bartelsmeyer, P.C	29.98	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	James Leo Keely	Sole Practitioner	-	12.90	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	James Leo Keely	Sole Practitioner	22.29	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	Jeffrey L. Fisher	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	Jeffrey L. Fisher	Sole Practitioner	19.95	4.28	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	Lester Weinstine	Sole Practitioner	-	4.52	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	WOODFORD COUNTY TITLE COMPANY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	ALLIED TITLE SERVICES, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	WESTERN ILLINOIS TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	BRAY, ROBERT CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	BRAY, ROBERT CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	CRAIG AND BARTELSMYER PC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	LESTER WEINSTINE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	RUSSELL, ENGLISH, SCOMA & BENEKE PC	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	RICHLAND COUNTY ABSTRACT INC	0.09	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	RICHLAND COUNTY ABSTRACT INC	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	BRAY, ROBERT CORPORATION	0.05	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	WESTERN ILLINOIS TITLE	0.05	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	WESTERN ILLINOIS TITLE	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	MARION COUNTY ABSTRACT COMPANY	0.30	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	ECS SERVICE CORPORATION	0.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	ANTONIK LAW OFFICES	0.15	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	KAISER ABSTRACT COMPANY INC	0.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	WESTERN ILLINOIS TITLE	0.15	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	N/A	PREMIER APPRAISAL COMPANY OF DANVILLE	0.38	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	Robert C. Becker Jr	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development ILLINOIS	T.R. Murphy	Watson & Murphy	-	26.69	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development INDIANA	Chris L. Shelby P.C.	Sole Practitioner	3.02	4.32	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development INDIANA	John Flatt	Nelson & Frankenberger	43.23	82.58	Foreclosures
USDA/Rural Development INDIANA	Larry Wheatley	L.R. Wheatley, Attorney-At-Law	43.25	-	Foreclosures

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development IOWA	Richard Tekippe	Elwood, O'Donohoe, & Stochl	-	0.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Handley, Block & Lamberti	Handley, Block & Lamberti	-	2.08	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Heronimus, Schmidt & Allen	Heronimus, Schmidt & Allen	-	0.75	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Holmes Law Office	Holmes Law Office	-	1.91	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	IBK Government Group, LLC	IBK Government Group, LLC	-	4.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Johanson Law Office	Johanson Law Office	-	0.44	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Johnson & Lane	Johnson & Lane	-	0.55	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Johnson Law Firm, P.C.	Johnson Law Firm, P.C.	-	0.88	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Leff Law Office - Timothy Grady	Leff Law Office - Timothy Grady	-	0.85	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Lynch Law Office	Lynch Law Office	-	2.33	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Lynch, Michael & Raiber, LLP	Lynch, Michael & Raiber, LLP	-	0.65	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Napier Wolf Ponejov & Auge LLP	Napier Wolf Ponejov & Auge LLP	-	0.79	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Norelius & Nelson	Norelius & Nelson	-	0.95	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Schoenthaler, Bartelt, Kahler & R	Schoenthaler, Bartelt, Kahler & Reicks	-	0.38	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Schweitzer & Wink	Schweitzer & Wink	-	14.55	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Alan Daut	Sole Practitioner	-	0.81	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Angela Hill Attorney	Sole Practitioner	-	0.40	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	C. Bjornstad	Sole Practitioner	-	0.35	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Deshawne L. Bird-Sell	Sole Practitioner	-	0.73	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Donald Winkler	Sole Practitioner	-	0.58	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Jeffrey Greve-Greve Law Office	Sole Practitioner	-	10.80	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Mark Hanson-Hanson Law PC	Sole Practitioner	-	12.03	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Richard Swenson	Sole Practitioner	-	0.48	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Rita Pederson	Sole Practitioner	-	0.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Robert Box	Sole Practitioner	-	0.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Stephen Kenkel	Sole Practitioner	-	0.73	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Thomas R. Schirman	Sole Practitioner	-	0.75	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	Swanson Law Firm	Swanson Law Firm	-	1.60	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development IOWA	N/A	SCHOENTHALER, ROBERG, BARTELT & KAHLER	0.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	EGGLESTON REAL ESTATE & APPRAISALS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	LAND TITLE & ABSTRACT SERVICES INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development KANSAS	N/A	ISSCO, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	FIRST AMERICAN TITLE COMPANY OF THE SOUTHEAST & MID-ATLANTIC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	SECURITY 1ST TITLE LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	FIRST AMERICAN TITLE KANSAS AGENCY, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	ISSCO, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	FIRST AMERICAN TITLE INSURANCE COMPANY	-	2.93	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	SECURITY 1ST TITLE LLC	-	2.02	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	CHARLSON & WILSON BONDED ABSTRACTERS, INC	-	0.22	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	CHARLSON & WILSON BONDED ABSTRACTERS, INC	-	0.22	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	American Title & Abstract Specialists	-	1.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Assurance Title Services	-	0.32	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Cloud County Title Co	-	0.14	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Coffey County Land Title Co	-	0.15	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Crawford County Abstract Co., Inc	-	0.25	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Decatur County Title	-	0.15	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Finley, Miller, Cashman, Schmidt & Rove LLC	-	0.21	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Frazee Abstract & Title Co	-	0.12	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Heartland Title Services	-	0.35	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Kansas Secured Title & Abstract	-	2.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	LaCrosse Abstract & Title	-	0.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Marshall County Abstract	-	0.18	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Northwest Kansas Title	-	0.45	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Osborne County Abstract	-	0.27	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Phillips County Abstract	-	0.25	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Pottawatomie County Abstract	-	0.80	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Pratt County Abstract	-	0.28	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Quality Title & Abstract	-	0.70	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Regier Title, Inc	-	0.90	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	Rice County Abstract	-	0.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	LAND TITLE & ABSTRACT SERVICES INC	-	2.48	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	FIRST AMERICAN TITLE COMPANY OF THE SOUTHEAST & MID-ATLANTIC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development KANSAS	N/A	R.M. JAQUA ABSTRACT CO.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	REALTY INC	-	0.62	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	KARSTETTER & KLENDA LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	KARSTETTER & KLENDA LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KANSAS	N/A	TAYLOR ABSTRACT & TITLE CO., INC	-	0.70	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	Chuck Foster	Hargrove & Foster	-	2.40	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	Chuck Foster	Hargrove & Foster	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	Gambrel & Wilder	Gambrel & Wilder	-	42.24	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	Gambrel & Wilder	Gambrel & Wilder	94.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	John Norman	Norman Law Group	-	0.60	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	L. Barrow	Foreman Watson Land Title	-	19.35	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	HARGROVE & FOSTER	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GOFF & GOFF PSC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	HARGROVE & FOSTER	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	GOFF & GOFF PSC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	HARGROVE & FOSTER	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
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USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	FOREMAN WATSON LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,55	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,55	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2,65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, B SCOTT	2,65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.55	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	0.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.65	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	2.75	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	PENNINGTON, R SCOTT	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	1.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	N/A	GAMBREL & WILDER LAW OFFICES, PLLC	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	R. Scott Pennington	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	R. Scott Pennington	Sole Practioner	71.56	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development KENTUCKY	Thomas Goff	Goff & Goff	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	H JAMES LOSSIN SR	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	H JAMES LOSSIN SR	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	H JAMES LOSSIN SR	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	2.88	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	1.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	2.98	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(2.10)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	3.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(1.40)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	2.98	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(2.10)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(0.90)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	4.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	(0.30)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.88	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	5.78	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(0.70)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	3.58	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	4.28	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	(1.40)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	(0.70)	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	4.58	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION	0.58	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	LOSSIN, H JAMES SR ATTY AT LAW	0.80	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	1.54	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	1.07	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	15.80	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	3.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	3.63	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	4.63	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	4.63	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	4.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	0.10	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	4.63	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW	5.68	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	N/A	CANOVA & DELAHAYE LLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	Gregory R. deKeyzer	Sole Practitioner	81.29	61.65	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	H. Gregory Walker, Sr.	Walker and Passman, LLP	96.11	44.49	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	H. James Lossin, Sr.	Sole Practitioner	10.18	12.90	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	Louis Delahaye	Canova and Delahaye	111.28	166.37	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	Louis Delahaye	Canova and Delahaye	111.28	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	William D. O'Regan, III	Sole Practitioner	0.62	44.49	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	William D. O'Regan, III	Sole Practitioner	96.11	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development LOUISIANA	Clifton Kyle	Sole Practitioner	-	0.80	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MAINE	Broderick & Broderick	Broderick & Broderick		60.84	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	106.65	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development MARYLAND	N/A	WOODSTUE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	KRUM, RALPH APPRAISAL & REAL ESTATE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BAY ACQUISITIONS INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BAY ACQUISITIONS INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	3.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	2.95	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.39	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.70	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.94	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	3.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	6.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	3.00	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	5.10	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	1.01	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.60	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.17	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	1.29	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	0.22	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD T. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	WILLIAM G RAYFIELD INCORPORATED (4679)	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BLR REAL ESTATE APPRAISAL INCORPORATED	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	6.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	0.51	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	1.02	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MARYLAND	N/A	BRADFORD I. WEBB, LLC	4.25	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MASSACHUSETTS	Law Office of Joseph White	Sole Practitioner	-	0.13	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MASSACHUSETTS	Stephen Shechtman	Shechtman Halperin Savage	-	154.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MICHIGAN	David L. Porteous	McCurdy, Wotilla & Porteous, PC	18.11	55.80	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	John R. Tuxker	Winegarden, Haley, Lindholm & Robertson, PLC	26.75	32.10	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Michael L. Conlon	Running Wise & Ford	45.02	65.50	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Peter Schneiderman	Schneiderman & Sherman	33.66	4.20	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Randall S. Miller	Randall Miller & Assoc	13.50	50.00	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Robert J. Zitta	Scheuerle & Zita	36.74	34.90	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Jon Engman, of Fabrizio & Brook	CAREFIME SERVICES LLC	-	3.00	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Gary Szeczniak	FABRIZIO & BROOK, P.C.	-	14.80	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Peter Teholiz	HUBBARD LAW FIRM, P.C., THE	-	21.00	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Brian Perero	JURISTAFF, INC	-	2.10	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MICHIGAN	Michael Woods	POTESTIVO & ASSOCIATES P.C.	-	21.90	MFH and SFH non-judicial foreclosure facilitation, evictions and title search
USDA/Rural Development MISSOURI	N/A	TOWN & COUNTRY ABSTRACT CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSOURI TITLE ASSOCIATES, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HIGHT & ASSOCIATES LAND TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	COUNTY WIDE ABSTRACT & TITLE COMPANY INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHEAST MISSOURI TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHERN LAND TITLE COMPANY, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	CLINTON ABSTRACT & TITLE COMPANY LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development MISSOURI	N/A	HOGAN LAND TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	BOLLINGER COUNTY ABSTRACT OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	BARRY COUNTY ABSTRACTING & TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHEAST MISSOURI TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	METRO TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SECURITY ABSTRACT CO	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	LAWYERS LAND TITLE OF LAKE OZARK, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	DUNKLIN COUNTY ABSTRACT CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSISSIPPI COUNTY ABSTRACT & LOAN COMPANY INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHEAST MISSOURI TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	OZARK ABSTRACT LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	WILES ABSTRACT & TITLE COMPANY, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HAMILTON, D.D TITLE COMPANY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	OSCEOLA ABSTRACT AND TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	JOHNSON COUNTY TITLE COMPANY, INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	METRO TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSISSIPPI COUNTY ABSTRACT & LOAN COMPANY INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SECURITY ABSTRACT CO	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HILLSBORO TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	DUNKLIN COUNTY ABSTRACT CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	COUNTY WIDE ABSTRACT & TITLE COMPANY INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	OZARK ABSTRACT LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHERN LAND TITLE COMPANY, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SOUTHERN LAND TITLE COMPANY, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSOURI TITLE ASSOCIATES, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSOURI TITLE ASSOCIATES, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HOGAN LAND TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MARK TWAIN TITLE COMPANY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	OSCEOLA ABSTRACT AND TITLE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	BARRY COUNTY ABSTRACTING & TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HILLSBORO TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development MISSOURI	N/A	ALLEN ABSTRACT & TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	HIGHT & ASSOCIATES LAND TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MIDWEST TITLE COMPANY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	TOWN & COUNTRY ABSTRACT CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	PREFERRED LAND TITLE, LLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	DRAKE LAND TITLE COMPANY INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	LANDMANN TITLE CO INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSOURI CENTRAL TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	MISSOURI CENTRAL TITLE INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	D. D. HAMILTON CO., INC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MISSOURI	N/A	SAINT JOSEPH TITLE & ABSTRACT COMPANY	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MONTANA	Mark Noenning	Hendrickson Law Firm	24.41	46.65	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development MONTANA	Mark Noenning	Hendrickson Law Firm, P.C	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEVADA	N/A	TITLE SERVICE AND ESCROW COMPANY	1.24	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEW HAMPSHIRE	Craig Deachman & Amann	Craig Deachman & Amann	-	34.94	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEW HAMPSHIRE	Albrecht & Weegar	Albrecht & Weegar	-	15.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEW JERSEY	Michael Bonfrisco	Bonfrisco Law Firm	-	98.29	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEW MEXICO	Elizabeth Mason, P.C	Sole Practitioner	7.70	63.51	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NEW MEXICO	Richard M. Leverick	Leverick & Musselman, PC	43.90	129.13	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Frassineti & Glover	Frassineti & Glover	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Frassineti & Glover	Frassineti & Glover	1.60	1.60	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	J. Michael Weeks	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	J. Michael Weeks	Sole Practitioner	1.79	1.81	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	James A. Vinson	Sole Practitioner	1.50	2.44	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Joseph C. Weinberger, Jr	Sole Practitioner	1.89	2.43	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Kania & Kania	Kania & Kania	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Kania & Kania	Kania & Kania	4.45	2.61	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Mark R. Lewis	Sole Practitioner	2.49	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Mullinax & Mullinax	Mullinax & Mullinax	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Mullinax & Mullinax	Mullinax & Mullinax	0.30	1.93	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	R. Martin Melvin-Walter	Sole Practitioner	0.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

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USDA/Rural Development NORTH CAROLINA	Stamey & Foust	Stamey & Foust	4.68	11.69	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Windy Rose	Sole Practitioner	2.22	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	Harrington & Jones	Harrington & Jones	-	3.15	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	MOSES D. LASSITER	MOSES D. LASSITER	-	0.91	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH CAROLINA	HENRY M. FISHER	HENRY M. FISHER	-	2.14	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development NORTH DAKOTA	N/A	MACKOFF, KELLOGG, KIRBY & KLOSTER, P.C.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OHIO	Stephen D. Miles	Sole Practitioner	-	444.08	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OHIO	Gilbert L. Rieger	Sole Practitioner	-	212.38	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Andrew Wilcoxen	Wilcoxen & Wilcoxen	-	26.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Andrew Wilcoxen	Sole Practitioner	53.81	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	David Youngblood	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Gilbert L. Rieger	Sole Practitioner	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Gilbert L. Rieger	Sole Practioner	147.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Shannon Reasor	Reasor And Inge	-	52.84	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OKLAHOMA	Shannon Reasor	Sole Practitioner	-		Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development OREGON	Marisol Ricoy Mc Allister	Farleigh, Wada & Witt, Attorneys	-	42.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development PUERTO RICO	Fortuño & Fortuño FAS	Fortuño & Fortuño FAS	-	592.39	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development PUERTO RICO	Juan Carlos Fortuño, Esq.	Fortuño, Fortuño Fas, C.S.P.	439.09	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development RHODE ISLAND	Stephen Shechtman	Shechtman, Halperin & Savage	-	50.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH CAROLINA	Gary P. Bish, PA	Sole Practioner	17.66	26.89	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH CAROLINA	Grimsley Law Firm, LLC	Grimsley Law Firm, LLC	22.62	10.47	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH CAROLINA	Korn Law Firm, PA	Korn Law Firm, PA	21.50	8.60	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH CAROLINA	Tyler, Cassell, Jackson & Peace	Tyler, Cassell, Jackson & Peace	24.69	24.34	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH DAKOTA	N/A	MORMAN LAW	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH DAKOTA	N/A	GUNDERSON, PALMER, NELSON & ASHMORE, LLP	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH DAKOTA	Thomas A. Gehrz	Mackoff Kellogg Law Firm	-	5.09	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development SOUTH DAKOTA	Patrick Glover	Meierhenry Sargent LLP	2.31	2.36	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development TEXAS	Slater Pbugh LLP Atty. at Law	Slater Pbugh LLP Atty. at Law	-	2.43	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development TEXAS	Law Office of Richard Valdez	Sole Practioner	-	1.54	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development TEXAS	Perdue Brandon Fielder Collins &	Perdue Brandon Fielder Collins & Mot	-	0.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Anderson-Oliver Title Agency	Anderson-Oliver Title Agency	-	12.88	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development UTAH	Backman Stewart Title	Backman Stewart Title	19.64	26.34	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Backman Stewart Title Srvcs	Backman Stewart Title Srvcs	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	D Land Title	D Land Title	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	D Land Title	D Land Title	3.91	5.84	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	South Eastern Utah Title	South Eastern Utah Title	-		Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Cache Title Co	Sole Practitioner	-	3.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Box Elder Title	Sole Practitioner	-	2.75	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Central Utah Title	Central Utah Title	-	11.06	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Basin Land Title	Sole Practitioner	-	10.64	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	South Eastern Utah Title	South Eastern Utah Title	1.29	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Utah Title & Abstract	Utah Title & Abstract	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development UTAH	Utah Title & Abstract	Utah Title & Abstract	4.39	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA)	Island Title Company	Island Title Company	-	0.75	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA)	Alliance Title Co	Alliance Title Co	-	0.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	C. Ridley Bain	Slayton, Bain, & Clary, P.C.	4.00	1.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	Linda Tiller	Tiller & Tiller, Attorneys	2.00	10.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	Linda Tiller	Tiller & Tiller, Attorneys	11.06	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	Raine & Perdue, PLC	Raine & Perdue, PLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	Robert Hill	Hill & Rainey, P.C.	47.00	66.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development VIRGINIA	Robert W. Haley	Sole Practitioner	5.00	5.00	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WASHINGTON	Nanci Lambert/Brain Sommer	Roth Crabtree Olsen	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WASHINGTON	Valerie Holder	RCO Legal, P.S.	-	3.49	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WASHINGTON	Shane Silverphorne	At Will Foreclosure Services	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	John Martin	Kyle and Martin	5.49	9.20	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	KYLE & MARTIN	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	2.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	1.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	KYLE & MARTIN	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	1.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	REAL ESTATE RESOURCES	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development WEST VIRGINIA	N/A	KYLE & MARTIN	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	1.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	KYLE & MARTIN	1.20	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	N/A	HEREFORD & RICCARDI PLLC	1.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	Philip B. Hereford	Hereford & Riccardi, PLLC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WEST VIRGINIA	Philip B. Hereford	Hereford & Riccardi, PLLC	17.58	53.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	Heywood, Cari & Anderson	Heywood Cari & Anderson	59.45	17.24	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	Jost Law Office	Sole Practitioner	53.16	36.40	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	Kohner, Mann & Kailas, S.C	Kohner, Mann, & Kailas, S.C	72.26	45.50	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	CARTRIDGE SAVERS, INC.	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	-	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.76	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.11	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.05	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.80	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.17	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	1.05	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.15	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.73	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.06	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.13	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.82	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.05	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	0.98	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	GREAT NORTHERN CONNECTION	0.50	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.87	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

Agency	Counsel's Name	Firm Name	Amount Paid in 2012	Amount Paid in 2013	Reason/Purpose for Hiring Outside Legal Counsel
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.10	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.67	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.03	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.64	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.45	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	1.19	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	0.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.90	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.89	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	0.04	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	KOHNER MANN & KAILAS	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	HEYWOOD, CARI & ANDERSON SC	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work
USDA/Rural Development WISCONSIN	N/A	JOST LAW OFFICE	2.40	-	Judicial foreclosure or non judicial facilitate or bankruptcies or title work

STAFF YEAR REDUCTIONS

Mr. Aderholt: Please provide a table that shows, by fiscal year and agency, the staff year reductions that occurred in fiscal years 2013 and 2014.

Response: The following information is provided for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE

FY 2013 - FY 2014 Staff Year Changes

Agency	FY 2012 Actual	FY 2013 Actual	Change from 2012-2013	FY 2014 Actual	Change from 2013-2014
FARM AND FOREIGN AGRICULTURAL SERVICES					
Farm Service Agency	4,488	4,249	-239	3,987	-262
Risk Management Agency	470	446	-24	429	-17
Foreign Agricultural Service	1,017	961	-56	926	-35
RURAL DEVELOPMENT					
Rural Development	5,193	4,726	-467	4,606	-120
FOOD, NUTRITION, AND CONSUMER SERVICES					
Food and Nutrition Service	1,314	1,359	45	1,325	-34
FOOD SAFETY					
Food Safety and Inspection Service	9,460	9,262	-198	9,036	-226
NATURAL RESOURCES AND ENVIRONMENT					
Natural Resources Conservation Service	11,277	10,671	-606	10,482	-189
Forest Service	33,921	32,805	-1,116	32,254	-551
MARKETING AND REGULATORY PROGRAMS					
Animal and Plant Health Inspection Service	7,453	7,171	-282	7,111	-60
Agricultural Marketing Service	2,741	2,733	-8	2,538	-195
Grain Inspection, Packers & Stockyards Administration	686	652	-34	644	-8
RESEARCH, EDUCATION, AND ECONOMICS					
Agricultural Research Service	7,596	7,058	-538	6,893	-165
National Institute of Food and Agriculture	405	387	-18	380	-7
Economic Research Service	375	349	-26	341	-8
National Agricultural Statistics Service	1,052	1,085	33	999	-86
DEPARTMENTAL ACTIVITIES					
Office of the Secretary and Assistant Secretaries	122	96	-26	96	0
Office of Homeland Security	55	53	-2	57	4
Office of Advocacy and Outreach	50	45	-5	41	-4
Departmental Administration	525	449	-76	435	-14
Office of Communications	77	76	-1	75	-1
Office of the Chief Economist	49	48	-1	48	0
National Appeals Division	86	87	1	82	-5
Office of Budget and Program Analysis	47	46	-1	45	-1
Office of the Chief Information Officer	980	992	12	1,008	16
Office of the Chief Financial Officer	1,230	1,303	73	1,345	42
Office of the General Counsel	310	293	-17	289	-4
Office of Civil Rights	123	105	-18	136	31
Office of Inspector General	558	520	-38	494	-26
Total, USDA Federal Staffing	**91,660**	**88,027**	**-3,633**	**86,102**	**-1,925**
FSA, Non-Federal Staffing	8,008	7,693	-315	7,492	-201
Total, USDA Staffing	**99,668**	**95,720**	**-3,948**	**93,594**	**-2,126**

CODEX ALIMENTARIUS

Mr. Aderholt: Please provide total expenditures on Codex Alimentarius activities for fiscal years 2009 through the amount requested in the President's fiscal year 2015 request. Please provide a breakout by Agency and a grand total for each year.

Response: The information is provided for the record.

[The information follows:]

USDA Funding for Codex Alimentarius (Dollars in Thousands)							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Agency	Actual	Actual	Actual	Actual	Actual	Enacted	President's Budget
FSIS	$ 3,812	$ 3,752	$ 3,783	$ 3,719	$ 3,517	$3,752	$ 3,759
FAS 1/	462	457	454	364	657	660	675
AMS	299	267	210	122	121	130	122
GIPSA	5	11	18	15	8	11	12
Total, CODEX Activities	**$ 4,578**	**$ 4,487**	**$ 4,465**	**$ 4,220**	**$ 4,303**	**$4,553**	**$ 4,568**

1/ Figures updated to reflect actual spending. FY2013 actual and outyear projections reflect full staffing.

SECTION 11

Mr. Aderholt: Please provide for the record a detailed listing of the CCC Section 11 (Cooperation with Other Federal Government Agencies) transfers and reimbursements reflected for fiscal years 2011 through 2013. Provide an estimate for fiscal years 2014 and 2015.

Response: The information is provided for the record.

[The information follows:]

SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES						
AGENCY	DESCRIPTION OF AGREEMENT	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*
		$(000)				
FAS	Salaries and benefits of positions supporting CCC programs	$4,400	0	0	0	0
FAS	To provide information resource management services required to support CCC programs.	18,000	$18,400	$17,462	$17,075	$17,480
FAS	To support Non-CCC related information technology activities	4,000	5,000	4,745	4,640	4,750
FAS	Provide FFAS with FAS-contracted remote sensing imagery	1,500	1,500	1,424	1,392	1,750
FAS	Quality Samples Program	0	0	220	219	200
OGC	To provide legal services to CCC in the operation of its programs and activities.	250	350	285	325	350
FSA	Biomass Crop Assistance Program	2,000	0	0	510	600

SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES						
AGENCY	**DESCRIPTION OF AGREEMENT**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015***
				$(000)		
NASS	Price data for programs authorized in 2008 and 2014 Farm Bills	2,500	2,500	2,373	2,320	2,500
NASS	To provide FSA with county estimates on selected row crops, small grains, oilseeds, and processed vegetables.	100	100	95	93	100
NASS	To conduct a weekly survey of farmer stock peanut prices by variety.	200	200	190	186	200
DOI	To provide contractor support to maintain the General Sales Manager Export Credit Guarantee system and Data Mart.	923	1,050	996	925	996
DOE	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	3,960	4,350	3,995	4,120	4,420
FSA	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	100	300	0	0	0
MO Dept of Natural Res.	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	20	20	19	19	20
KS Dept of Health	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	60	0	0	60	20
NE Dept. of Environ. Quality	To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance.	20	30	19	19	20
AMS/GIPSA	Perform inspections (production site, port, or vessel) and commodity testing	0	250	47	0	0
AMS	To provide CCC all cotton classification information from the AMS regional classification offices.	400	400	380	371	400
AMS	To perform re-inspection on CCC inventory of non-fat dry milk and salmonella testing	5	5	0	0	0
AMS	Peanut Compliance Program	750	750	655	640	690
Total Reimbursable Agreements		**39,188**	**35,205**	**32,904**	**32,913**	**34,496**

SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES						
AGENCY	DESCRIPTION OF AGREEMENT	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*
				$(000)		
Other Section 11 Activities						
FSA	Loan Service Charges and other Administrative Reimbursements	**4,715**	**6,083**	**4,081**	**2,784**	**3,000**
GIPSA	To provide sampling and testing funds paid to the GIPSA for costs associated with sampling and testing Corn-Soy Blend (CSB).	2,500	2,500	1,424	1,392	1,500
OGC	To conduct activities in support of International Food Assistance Programs.	100	100	114	111	115
FAS	To conduct activities in support of International Food Assistance Programs.	120	120	95	93	100
FSA	To conduct activities in support of International Food Assistance Programs.	6,496	9,559	9,263	8,613	9,500
Total, International Food Assistance Operations		**9,216**	**12,279**	**10,896**	**10,209**	**11,215**
GRAND TOTAL		**53,120**	**53,567**	**47,880**	**45,906**	**48,711**

*FY 2015 amounts reflect funding apportioned as of October 9, 2014.

Mr. Aderholt: What activities are not being funded through CCC Section 11 that, under current law, would fall within that funding authority? How are these activities being funded?

Response: Section 11 of the CCC Charter Act (15 U.S.C. 714i) authorizes CCC to pay the costs of personnel, services, facilities, and information of any Federal Government, State, Territory, District of Columbia, or any political subdivision agency which assists the CCC in conducting its business. As with other programs, CCC must budget for activities that must be carried out under Section 11 authority. This requires balancing multiple requests and ensuring activities carried out are done efficiently. The statutory cap on Section 11 funding established by the Agricultural Market Transition Act, P. L. 104-127, on April 4, 1996, has limited annual funding to the FY 1995 level of $56,102,727.

COMMON COMPUTING ENVIRONMENT

Mr. Aderholt: Describe your 2013 and 2014 activities and costs for Common Computing Environment in each of the respective agencies and in OCIO if applicable.

Response: OCIO initiated an Optimized Computing Environment (OCE) investment to update and refresh the Common Computing Environment. This initiative is focused on updating the current technology and re-architecting the current environment to optimize operations.

The Optimized Computing Environment (OCE) program consists of a parent/child investment structure, with the USDA, Office of the Chief Information Officer/International Technology Services (OCIO/ITS) managing the parent OCE investment. The parent investment is funded by child OCE investments from the Farm

Service Agency (FSA); Natural Resource Conservation Service (NRCS) and Rural Development (RD).

In FY2012 and FY2013 the OCE investment budget was approved for $30M for each fiscal year. This $30M was based on contributions from the SCA's as follows:

FSA - $13.5M
NRCS - $12.5M
RD - $4.5M

A primary objective of OCE is data centralization and centralized management. The user and program data will be centralized in a secure and accredited level 4 data center. Centralizing the management of field architecture and mobile devices provide a single primary point of control to those systems. This focus coupled with USDA's Enterprise Active Directory initiative further enhances security and optimizes protection of program data.

This investment in the infrastructure update will provide the following benefits to the Service Center Agencies:

- Improved Network Performance
- Improved VoIP Availability and Performance
- Modernized Technology
- Right-Sized Systems to Meet Individual Business Needs
- Minimized Business Service Outages
- Enhanced File Storage Capabilities

Below is a listing of the OCE activities, and their respective costs:

FY2012

Core Head End infrastructure modernization and WAN Optimization.	$2,250,611
Field Service Center (FSC) Hardware Deployment - This includes the modernization of Service Center Network Hardware and WAN Optimization deployment.	$26,918,088
Next Generation Mobility Management	$750,000
Expansion of Network Monitoring	$57,345
Auxiliary VOIP Handset Deployment	$23,956
Total FY2012	**$30,000,000**

FY2013

Expansion of FSC WAN Optimization - Deploy New Network Optimization Hardware and Client Software.	$11,200,000
VoIP Eastern Gateway and Call Center Infrastructure Replacement	$2,000,000
Head End Core Component Modernization	$5,600,000

Server Virtualization and Storage Backup Configuration	$1,200,000
FSC VoIP Site Installation	$10,000,000
Total FY2013	**$30,000,000**

FY2014

Physical Server Replacement.	$450,000
Continued Phone System Replacement	$6,000,000
FSA WAN Optimization Expansion	$5,300,000
Field Virtualization Monitoring	$1,300,000
Enterprise Proxy Solution	$1,700,000
End User Storage	$10,850,000
Backup Solution	$3,438,000
Total FY2014	**$29,038,000**

FY2015

End User Devices - Continuation of FSC Server replacement	$1,000,000
Office Environment - Continued VoIP Phone System Installations	$6,000,000
End User Devices - Mobility Infrastructure	$1,000,000
End User Devices - Centralized Backup Expansion	$5,937,000
End User Devices - End User Storage Continued	$8,000,000
Office Environment -Field Office Virtualization	$7,000,000
Total FY2015	**$28,937,000**

UNAUTHORIZED APPROPRIATIONS

Mr. Aderholt: Provide for the record a list of any unauthorized appropriations included in the fiscal year 2015 budget request. How many requests are there in the budget that exceeds the authorized amount for the program? Which programs?

Response: The information is provided for the record.

[The information follows:]

Appropriations Not Authorized by Law and Expiring Authorizations
(Dollars in Thousands)

Agency/Program	Last Year of Authorization	Authorization level	Appropriations in last year of authorization	2015 Appropriations request
Programs not currently authorized by law or expiring on or before September 30, 2014.				
Rural Business-Cooperative Service				
Rural Business and Cooperative Grants Program	No prior authorization	0	0	$57,500
Rural Housing Service				
Multi-family Housing Revitalization Program	9/30/2014	$32,575	$32,575	28,000
Rural Utilities Service				
Broadband Telecommunications Grants	9/30/2014	10,372	10,372	20,372

Note: List does not include expiring programs for which no funding is requested in the 2015 President's Budget.

NUTRITION EDUCATION

Mr. Aderholt: Please provide a table listing the discretionary and mandatory resources spent for nutrition education by the Department for fiscal years 2009 through 2014 estimated as well as the requested amount for 2015. List each agency amount separately, and include a Department-wide total for each year.

Response: The information is provided for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
Nutrition Education and Research
and Obesity and Healthy Weight Crosscut
(Dollars in Thousands)

Obesity and Healthy Weight	2009 Actual	2012 Actual	2013 Actual	2014 Estimate	2015 Budget	Performance Measures: Performance Measurement	2013 Target	2014 Target	2015 Target
Agricultural Research Service	$23,840	$33,243	$31,100	$33,350	$33,350	Conduct Research to Prevent Obesity in the Diverse American Population	X	X	X
Economic Research Service	6,190	6,030	6,030	6,562	6,627	Qualitative assessment by external experts of the relevance, quality and performance of ERS research portfolios to enable better informed decisions on food and agricultural policy issues.	Excellent	Excellent	Excellent
Food, Nutrition and Consumer Services	866,674	1,105,430	1,017,501	1,104,847	1,157,452	Increase the Healthy Eating Index (HEI) scores of the U.S. population.	58.8	59.0	59.0
National Institute of Food and Agriculture	90,793	103,662	93,722	106,436	104,804	Dietary improvements by EFNEP participants	95%	95%	95%
Total, Obesity and Healthy Weight	987,497	1,248,365	1,148,353	1,251,195	1,302,233				
All Other Nutrition Promotion/Education and Research Programs (excludes the above)									
Agricultural Research Service	61,469	52,195	49,228	53,524	55,277	Research to Safeguard the Health of the American People	X	X	X
Economic Research Service	9,285	8,844	8,844	9,390	9,485	Qualitative assessment by external experts of the relevance, quality and performance of ERS research portfolios to enable better informed decisions on food and agricultural policy issues.	Excellent	Excellent	Excellent
National Institute of Food and Agriculture	24,804	18,314	20,497	20,313	25,047				
Total, All Other Nutrition Programs	95,558	79,353	78,569	83,227	89,809				
Totals, by Agency									
Agricultural Research Service	85,309	85,438	80,328	86,874	88,627				
Economic Research Service	15,475	14,874	14,874	15,952	16,112	Qualitative assessment by external experts of the relevance, quality and performance of ERS research portfolios to enable better informed decisions on food and agricultural policy issues.	Excellent	Excellent	Excellent
Food, Nutrition and Consumer Services	866,674	1,105,430	1,017,501	1,104,847	1,157,452				
National Institute of Food and Agriculture	115,597	121,976	114,219	126,749	129,851				
Total, Nutrition	**1,083,055**	**1,327,718**	**1,226,922**	**1,334,422**	**1,392,042**				

FINANCIAL MANAGEMENT MODERNIZATION INITIATIVE

Mr. Aderholt: USDA began implementing the Financial Management Modernization Initiative (FMMI) in October 2009. Provide the Committee with the total amount spent on FMMI by year from its fiscal year 2010 to fiscal year 2013. In addition, please provide a cost estimate to transition the remaining agencies to FMMI by fiscal year starting in fiscal year 2012. Lastly, provide a breakout of operations and maintenance costs for FMMI from FY 2013 to FY 2014.

Response: Total spending on FMMI from fiscal year 2010 to fiscal year 2013 is as follows (amounts in thousands):

Fiscal Year	Operating Costs	Capital Investments
2010	$61,791	$29,931
2011	64,755	23,078
2012	63,303	29,950
2013	64,991	6,681

The costs of transitioning remaining agencies to FMMI were $7,470,000 in FY 2012 and $3,340,000 in FY 2013. Transition was completed in FY 2013.

Operations and maintenance costs will drop by an estimated $2,211,000 from FY 2013 ($64,991,000) to FY 2014 ($62,780,000). Please note that the FY 2014 amount is still an estimate as final accounting is performed on FY 2014 activity.

FOOD DEFENSE ACTIVITIES

Mr. Aderholt: What types of activities is the Department engaged in to prevent or minimize the chances of an attack on the food supply? Please provide a detailed breakout of costs per Agency for food defense activities from FY 2009 to estimated FY 2014 and planned amounts in the FY 2015 President's Budget.

Response: The information is provided for the record.

[The information follows:]

UNITED STATES DEPARTMENT OF AGRICULTURE
Food Defense Initiative
(Dollars in Millions)

	Agency	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Enacted	2015 President's Budget
Food Defense:								
Surveillance and Monitoring	FSIS	$3.215	$3.215	$3.215	$0.753	$0.753	$0.753	$0.753
Food Emergency Response Network (FERN)	FSIS	7.254	11.350	7.254	3.900	3.900	3.900	3.900
Implement the Electronic Laboratory Exchange Network (eLEXNET) in Laboratories	FSIS	1.587	1.587	1.587	0.400	0.400	0.400	0.400
Implement the Electronic Compilation of Analytical Methods for Data Sharing in Laboratories	FSIS	0.638	0.638	0.638	0.000	0.000	0.000	0.000
FSIS Enhanced Inspections	FSIS	2.421	2.469	2.494	2.519	2.543	2.613	2.639
Physical Security	FSIS	0.248	0.248	0.248	0.060	0.048	0.050	0.050
Expand Laboratory Capabilities	FSIS	3.099	3.099	0.000	0.000	0.000	0.000	0.000
Expand Laboratory Capabilities for Chemical and Radiological Threats	FSIS	2.470	2.470	0.000	0.000	0.000	0.000	0.000
Technical Assistance to States/Local	FSIS	2.198	2.198	2.198	1.961	1.961	1.961	1.961
Office of Food Security and Emergency Preparedness	FSIS	2.224	2.269	2.292	2.315	1.764	2.401	2.425
Education/Training	FSIS	2.485	2.485	2.485	0.000	0.000	0.000	0.000
Research	ARS	9.133	10.439	10.019	10.020	9.391	9.391	9.391
Total, Food Defense		36.972	42.467	32.430	21.928	20.760	21.469	21.519

HQ EMPLOYMENT

Mr. Aderholt: For the record, provide a table, by agency/office, showing Washington, D.C. headquarters personnel broken out between GS and SES for FY 2010 to FY 2014.

Response: The information is provided for the record.

[The information follows:]

Washington, DC
Headquarters Employees
By Agency
Employment as of September 30

Agency	2011 Actual	2012 Actual	2013 Actual	2014 Estimate
Farm Service Agency				
SES	8	11	13	13
GS	1111	1147	1159	1159
Risk Management Agency				
SES	4	4	3	4
GS	71	62	66	62
Foreign Agricultural Service				
SES	5	2	16	2
GS	596	512	452	716
Rural Development				
SES	18	20	15	15
GS	1,695	1,542	1,594	1,373
Food and Nutrition Service				
SES	8	9	9	9
GS	521	516	501	588
Food Safety and Inspection Service				
SES	18	18	18	18
GS	0	0	683	683
SL	3	3	3	3
Other	683	683	0	0
Natural Resources Conservation Service				
SES	20	20	18	22
GS	391	376	342	369
Animal and Plant Health Inspection Service				
SES	24	25	27	27
GS	1,239	1,153	1,078	1,081
Other	19	26	23	23
Agricultural Marketing Service				
SES	11	11	9	9
GS	542	533	463	476
Grain Inspection, Packers and Stockyards Administration				
SES	3	3	3	3
GS	86	76	66	66
Agricultural Research Service				
SES	16	14	14	14
GS	484	476	513	552
National Institute of Food and Agriculture				
SES	8	8	8	8
GS	386	385	367	397
Departmental Administration				
SES	6	7	6	6
GS	313	247	237	248
Economic Research Service				
SES	8	6	6	6
GS	365	368	342	363
Office of Advocacy and Outreach				
SES	1	1	1	1
GS	39	39	26	26
Homeland Security Staff				
SES	1	2	2	2
GS	8	61	55	65

Washington, DC
Headquarters Employees
By Agency
Employment as of September 30

Agency	Actual	Actual	Actual	Estimate
National Appeals Division				
SES	1	1	1	1
GS	23	24	24	24
National Agricultural Statistics Service				
SES	10	10	10	10
GS	421	413	402	439
Office of Budget and Program Analysis				
SES	5	5	5	5
GS	40	42	42	47
Office of the General Counsel				
SES	16	16	14	14
GS	166	130	121	141
Office of Ethics a/				
SES	--	--	1	1
GS	--	--	22	22
Office of the Inspector General				
SES	8	8	9	9
GS	154	112	106	116
Office of Civil Rights				
SES	2	2	2	2
GS	126	121	103	132
Office of Communications				
SES	2	2	2	2
GS	63	57	51	55
Office of the Chief Economist				
SES	5	5	5	6
GS	44	43	43	47
Office of the Chief Financial Officer				
SES	2	2	2	2
GS	35	37	41	38
Office of the Chief Information Officer				
SES	6	6	7	7
GS	77	76	88	102
Office of the Secretary				
SES	42	39	40	42
GS	76	75	56	67
Total, USDA				
SES	258	257	266	260
GS	9,072	8,623	9,043	9,454
SL	3	3	3	3
Other	702	709	23	23

a/ Office of Ethics included under Departmental Administration in FY2011 and FY2012.

WORKING CAPITAL FUND AND GREENBOOK CHARGES

Mr. Aderholt: Please provide the Committee with a full breakdown of charges and expenses in the Department's Working Capital Fund and Greenbook charges by Agency for fiscal years 2008 through 2014.

Response: Revenue by agency for Working Capital Fund activities for fiscal years 2008 through 2014 is as follows:

WORKING CAPITAL FUND REVENUE, BY AGENCY (Amounts in Millions)							
Agency	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Agricultural Marketing Service	6.9	8.6	10.3	10.7	11.1	11.8	12.7
Agricultural Research Service	12.5	13.3	13.5	14.9	13.5	13.5	13.7
Animal/Plant Health Insp Svc	18.5	17.4	19.3	18.5	20.4	19.2	18.9
Chief Information Officer	44.9	35.0	18.3	65.5	49.4	56.8	65.5
Departmental Administration	6.0	6.6	14.3	22.7	11.9	13.9	17.5
Economic Research Service	0.7	0.8	0.7	0.8	1.2	1.3	1.1
Farm Service Agency	133.3	146.5	167.6	122.2	136.9	170.0	124.9
Food and Nutrition Service	3.8	3.8	4.0	4.3	5.6	7.2	16.3
Food Safety and Insp Svc	14.9	18.8	20.8	19.7	17.8	18.4	20.1
Foreign Agricultural Service	4.4	7.2	10.1	9.4	22.4	14.1	11.7
Forest Service	88.3	95.0	88.1	95.2	97.3	99.2	99.1
GIPSA	1.7	1.7	2.0	2.0	2.2	2.1	2.5
NAD-Park Office Center	0.5	0.6	0.6	0.7	0.8	0.7	0.5
Nat'l Agri Statistical Service	3.3	3.5	3.4	3.7	3.7	3.3	3.1
Natl Institute of Food & Agri	1.9	2.0	2.1	2.2	1.4	2.2	2.3
Natural Rsrcs Conservation Svc	120.3	118.9	124.2	117.8	127.4	145.2	138.1
Offc of Budget & Prog Analysis	0.2	0.2	0.2	0.2	0.3	0.4	0.4
Office of Advocacy & Outreach	-	-	-	0.4	0.5	0.6	0.5
Office of Chief Economist	0.4	0.4	0.3	0.3	0.3	0.4	0.4
Office of Chief Fincl Officer	48.2	37.4	34.0	42.5	42.9	44.0	39.8
Office of Civil Rights	1.6	1.5	1.2	1.6	0.9	1.3	1.3
Office of Communications	0.6	0.7	0.6	0.8	0.5	1.3	1.3
Office of Executve Secretariat	0.2	0.2	0.2	0.4	0.4	0.4	0.3
Office of General Council	0.8	0.9	0.8	0.8	0.7	0.7	0.9
Office of Homeland Security	-	-	-	-	4.6	2.5	2.6
Office of Inspector General	1.4	1.5	1.4	1.8	1.6	1.6	1.4
Office of the Secretary	1.1	0.9	1.0	1.2	0.7	1.2	1.7
Risk Management Agency	2.3	1.1	1.7	1.3	1.3	1.2	1.2
Rural Development	74.8	72.1	76.4	76.6	65.7	67.0	59.1
USDA Total	593.5	596.6	617.1	638.2	643.4	701.5	658.9

* Amount is tentative pending a final accounting for FY 2014.

DEPARTMENTAL REIMBURSABLE PROGRAMS - USDA AGENCY INCOME
FY 2008 - 2014 (amounts in thousands)

Agency	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Est.
Agricultural Marketing Service	$1,044	$1,047	$886	$882	$903	$865	$883
Agricultural Research Service	3,862	3,868	3,128	2,349	2,505	2,194	2,160
Animal and Plant Health Insp. Service	3,707	3,764	2,686	2,641	2,677	2,379	2,387
Departmental Administration	173	173	150	190	210	216	168
Economic Research Service	169	171	114	159	158	159	149
Farm Service Agency	5,852	5,948	4,117	4,036	4,016	3,881	3,886
Food and Nutrition Service	723	749	390	510	513	459	452
Food Safety and Inspection Service	3,543	3,569	2,815	2,795	2,860	2,695	2,716
Foreign Agricultural Service	713	728	501	613	616	558	506
Forest Service	14,894	15,169	9,641	10,306	10,187	10,208	10,910
Grain Insp., Packers & Stockyard Adm.	290	296	204	270	280	210	200
National Agricultural Statistics Service	474	482	327	378	371	389	383
National Appeals Division	38	38	28	30	31	27	28
Natl. Institute of Food and Agriculture	212	219	133	184	170	183	164
Natural Resources Conservation Service	4,298	4,333	3,462	3,847	3,663	3,366	3,458
Office of Advocacy and Outreach	0	0	0	0	6	9	7
Office of Budget and Program Analysis	24	24	18	24	23	20	19
Office of Chief Economist	51	55	16	25	23	22	21
Office of Civil Rights	65	67	35	57	52	53	49
Office of Communications	34	34	28	41	39	37	32
Office of the General Counsel	124	125	92	106	104	106	98
Office of Homeland Security/Emer. Coord.	0	0	0	0	10	24	16
Office of the Inspector General	403	400	339	279	283	200	214
Office of the Chief Financial Officer	763	777	517	452	469	444	373
Office of the Chief Information Officer	1,401	1,546	337	318	322	431	337
Office of the Executive Secretariat	6	6	0	3	10	9	8
Office of the Secretary	32	31	13	12	12	53	52
Risk Management Agency	206	206	154	167	166	146	133
Rural Development	2,548	2,581	1,811	1,893	1,856	1,706	1,571
DRP Totals	**45,649**	**46,406**	**31,942**	**32,567**	**32,535**	**31,049**	**31,380**

PAY INCREASE

Mr. Aderholt: Please provide a breakout of which agencies absorb the proposed pay increase and which ones are asking for additional appropriations.

Response: All USDA agencies requested additional appropriations for the requested pay increase.

BONUS AND AWARDS

Mr. Aderholt: Please provide for the record summary of total bonus and award resources (total number of awards/bonuses and dollar amount) for every position type (i.e., SES, SL/ST, GS, etc.) in each appropriation account for USDA for fiscal years 2012 through 2014. Provide a separate breakout for excepted positions. Do not exclude any type of bonus or award payment (e.g., include all types of monetary payments, including incentives, individual and group awards, bonuses, performance awards, Presidential Rank Awards, etc.). In addition to the summary level data, provide the Subcommittee with an electronic file (excel format) containing the data requested above on an individual basis without personally identifiable information. Lastly, for each appropriation account, provide the Subcommittee with the total number of promotions, within-grade increases or promotion equivalents under FSIS's Public Health Human Resources System (PHHRS) for fiscal years 2009 through 2014.

Response: The information is submitted for the record. FY 2014 actual data is currently not available. The electronic file containing data on individual awards will be submitted to the Subcommittee as requested.

[The information follows:]

Bonuses and Awards Summary

(Dollars in Thousands)

Agency/Appropriation Account	FY	SES		Other		Excepted Positions		Total	
		Number of Awards	Amount Awarded	Number of Awards	Amount Awarded	Number of Awards	Amount Awarded	Number of Awards	Amount Awarded
Agricultural Marketing Service									
Salaries & Expenses	2012	10	$86.2	1,693	$1,760.0	0	$0.0	1,703	$1,846.2
Salaries & Expenses	2013	10	$93.4	436	$1,372.0 1/	0	$0.0	446	$1,465.4
Animal and Plant Health Inspection Service									
Salaries & Expenses	2012	33	$319.3	5,396	$4,756.2	0	$0.0	5,429	$5,075.5
Salaries & Expenses	2013	35	$325.3	2,799	$2,702.8	0	$0.0	2,834	$3,028.1
Agricultural Research Service									
Salaries & Expenses	2012	37	$348.9	5,822	$5,863.2	15	$62.6	5,874	$6,274.7
Salaries & Expenses	2013	31	$253.7	3,594	$3,857.5	19	$36.6	3,644	$4,147.8
Economic Research Service									
Salaries & Expenses	2012	4	$37.0	644	$606.1	10	$5.0	658	$648.1
Salaries & Expenses	2013	1	$9.0	216	$287.5	4	$2.5	221	$299.0
Foreign Agriculture Service									
Salaries & Expenses	2012	5	$42,970.0	981	$1,205,968.51	0	$0.0	986	$1,248,938.51
Salaries & Expenses	2013	0	$0.0	0	$0.0	0	$0.0	0	$0.0
Food, Nutrition and Consumer Services									
Salaries & Expenses	2012	14	$126.6	1,289	$1,223.3	0	$0.0	1,303	$1,349.9
Salaries & Expenses	2013	12	$106.2	1,481	$1,501.9	0	$0.0	1,493	$1,608.1
Farm Service Agency-Federal									
Salaries & Expenses	2012	4	$35,899.0	18	$18,791.7	0	$0.0	22	$54,690.7
Salaries & Expenses	2013	0	$0.0	10	$13,563.0	0	$0.0	10	$13,563.0
Farm Service Agency-County									
Salaries & Expenses	2012	0	$0.0	0	$0.0	0	$0.0	0	$0.0
Salaries & Expenses	2013	0	$0.0	0	$0.0	0	$0.0	0	$0.0
Food Safety and Inspection Service									
Salaries & Expenses	2012	13	$106,532.0	6,124	$5,634,931.9	585	$455,484.5	6,722	$6,196,948.4
Salaries & Expenses	2013	0	$0.0	3,789	$4,249,760.2	196	$226,797.0	3,985	$4,476,557.2

Agency/Appropriation Account	FY	SES Number of Awards	SES Amount Awarded	Other Number of Awards	Other Amount Awarded	Excepted Positions Number of Awards	Excepted Positions Amount Awarded	Total Number of Awards	Total Amount Awarded
Grain Inspection Packers and Stockyards Administration									
Salaries & Expenses	2012	2	$16,757.0	436	$342,831.0	0	$0.0	438	$359,588.0
Salaries & Expenses	2013	3	$25,347.0	0	$0.0	0	$0.0	3	$25,347.0
National Agricultural Statistics Service									
Salaries & Expenses	2012	11	$109.6	1,234	615.2	0	$0.0	1,245	$724.8
Salaries & Expenses	2013	9	$80.3	975	644.4	0	$0.0	984	$724.6
National Institute of Food and Agriculture									
Salaries & Expenses	2012	5	$42.4	472	$481.3	7	$5.3	484	$529.0
Salaries & Expenses	2013	7	$64.1	204	$259.6	3	$3.6	214	$327.3
Natural Resources and Conservation Service									
Conservation Operations	2012	19	$130.1	8,126	$9,120.8	0	$0.0	8,145	$9,250.9
Conservation Operations	2013	15	$117.8	6,680	$5,938.3	0	$0.0	6,695	$6,056.1
Office of General Counsel									
Salaries & Expenses	2012	16	$122,644.0	244	$307,087.0	0	$0.0	260	$429,731.0
Salaries & Expenses	2013	16	$145,122.0	223	$299,424.0	0	$0.0	239	$444,546.0
Office of Inspector General									
Salaries & Expenses	2012	9	$74.6	520	$811.7	0	$0.0	529	$886.3
Salaries & Expenses	2013	1	$7.9	19	$9.3	0	$0.0	20	$17.2
Rural Development									
Salaries & Expenses	2012	8	$74.0	2,766	$1,985.5	69	$31.3	2,843	$2,090.8
Salaries & Expenses	2013	0	$0.0	2,841	$2,065.7	53	$17.0	2,894	$2,082.7
Risk Management Agency									
Salaries & Expenses	2012	8	$107.0	401	$427.7	0	$0.0	409	$534.7
Salaries & Expenses	2013	3	$28.2	2	$5.0	0	$0.0	5	$33.2
Departmental Administration									
Salaries & Expenses	2012	9	$140.0	231	$329.0	0	$0.0	240	$469.0
Salaries & Expenses	2013	6	$44.0	180	$316.0	0	$0.0	186	$360.0
Office of the Chief Economist									
Salaries & Expenses	2012	5	$41.0	41	$63.0	0	$0.0	46	$104.0
Salaries & Expenses	2013	4	$40.0	0	$0.0	0	$0.0	4	$40.0
Office of the Secretary									
Salaries & Expenses	2012	6	$62.0	38	$73.0	0	$0.0	44	$135.0
Salaries & Expenses	2013	4	$50.0	0	$0.0	0	$0.0	4	$50.0

Agency/Appropriation Account	FY	SES Number of Awards	SES Amount Awarded	Other Number of Awards	Other Amount Awarded	Excepted Positions Number of Awards	Excepted Positions Amount Awarded	Total Number of Awards	Total Amount Awarded
Office of Homeland Security and Emerg									
Salaries & Expenses	2012	0	$0.0	35	$37.0	0	$0.0	35	$37.0
Salaries & Expenses	2013	3	$40.0	0	$0.0	0	$0.0	3	$40.0
Office of the Chief Information Officer									
Salaries & Expenses	2012	5	$9.0	69	$103.0	0	$0.0	74	$112.0
Salaries & Expenses	2013	8	$100.0	7	$12.0	0	$0.0	15	$112.0
Office of the Chief Financial Officer									
Salaries & Expenses	2012	1	$10.0	13	$18.0	0	$0.0	14	$28.0
Salaries & Expenses	2013	4	$38.0	2	$2.0	0	$0.0	6	$40.0
Office of Budget and Program Analysis									
Salaries & Expenses	2012	4	$37.0	29	$47.0	0	$0.0	33	$84.0
Salaries & Expenses	2013	4	$80.0	0	$0.0	0	$0.0	4	$80.0
Office of Advocacy and Outreach									
Salaries & Expenses	2012	0	$0.0	35	$46.0	0	$0.0	35	$46.0
Salaries & Expenses	2013	1	$9.0	26	$33.0	0	$0.0	27	$42.0
Office of Communications									
Salaries & Expenses	2012	1	$8.0	3	$7.0	0	$0.0	4	$15.0
Salaries & Expenses	2013	1	$10.0	2	$2.0	0	$0.0	3	$12.0
Office of Civil Rights									
Salaries & Expenses	2012	0	$0.0	58	$72.0	0	$0.0	58	$72.0
Salaries & Expenses	2013	1	$10.0	68	$82.0	0	$0.0	69	$92.0
National Appeals Division									
Salaries & Expenses	2012	0	$0.0	70	$71.0	0	$0.0	70	$71.0
Salaries & Expenses	2013	0	$0.0	66	$66.0	0	$0.0	66	$66.0

Total Number of Promotions and Within-Grade Increases

Agency	FY 2011	FY 2012	FY 2013
Farm Service Agency - FEDERAL:			
Promotions	530	539	335
Within-Grade Increases	1,871	1,728	1,647
Farm Service Agency - COUNTY:			
Promotions	1,078	1,016	756
Within-Grade Increases	3,563	3,235	2,877
Foreign Agricultural Service:			
Promotions	67	57	39
Within-Grade Increases	346	370	270
Risk Management Agency:			
Promotions	80	68	43
Within-Grade Increases	221	218	208
Natural Resources Conservation Service:			
Promotions	1,456	1,091	997
Within-Grade Increases	5,243	5,216	5,144
Rural Development:			
Promotions	594	358	245
Within-Grade Increases	2,357	2,233	2,041
Food and Nutrition Service:			
Promotions	109	116	205
Within-Grade Increases	602	598	564
Food Safety and Inspection Service:			
Promotions	949	902	723
Within-Grade Increases	2,749	2,662	2787
Promo.Equivalents Under PHHRS	12	6	6
Animal and Plan Health Inspection Service:			
Promotions	662	443	318
Within-Grade Increases	3,395	3,070	3,012
Agricultural Marketing Service:			
Promotions	242	226	193
Within-Grade Increases	889	945	836
Grain Inspection, Packers and Stockyards Administration:			
Promotions	119	109	68
Within-Grade Increases	351	337	330
Agricultural Research Service:			
Promotions	568	517	456
Within-Grade Increases	3,490	3,298	2,945
National Institute of Food and Agriculture:			
Promotions	64	61	52
Within-Grade Increases	167	142	196
Economic Research Service:			
Promotions	28	36	22
Within-Grade Increases	110	117	91

Agency	Fiscal Years		
	FY 2011	FY 2012	FY 2013
National Agricultural Statistics Service:			
Promotions	130	146	179
Within-Grade Increases	452	442	295
Office of the Secretary:			
Promotions	16	16	20
Within-Grade Increases	36	30	36
Departmental Administration:			
Promotions	59	65	32
Within-Grade Increases	135	177	161
Office of Communications:			
Promotions	6	0	1
Within-Grade Increases	25	33	17
Office of Civil Rights:			
Promotions	35	20	8
Within-Grade Increases	49	57	31
Office of Budget & Program Analysis:			
Promotions	9	7	7
Within-Grade Increases	18	16	16
Office of the Chief Economist:			
Promotions	2	2	5
Within-Grade Increases	14	18	12
National Appeals Division:			
Promotions	2	3	1
Within-Grade Increases	25	35	41
Office of the Chief Financial Officer:			
Promotions	4	3	4
Within-Grade Increases	4	5	13
Office of the Chief Information Officer:			
Promotions	28	10	11
Within-Grade Increases	22	28	40
Office of Homeland Security:			
Promotions	2	3	7
Within-Grade Increases	2	22	32
Office of Advocacy and Outreach:			
Promotions	1	14	2
Within-Grade Increases	3	27	21
Office of the General Counsel:			
Promotions	25	10	12
Within-Grade Increases	109	127	91
Office of Ethics:			
Promotions	0	0	3
Within-Grade Increases	0	0	9
Office of Inspector General:			
Promotions	106	118	52
Within-Grade Increases	293	284	276
USDA:			
Promotions	6,971	5,956	4,796
Within-Grade Increases	26,541	25,470	24,039
Promo.Equivalents Under PHHRS	12	6	6
Total	**33,524**	**31,432**	**28,841**

FOOD SAFETY INSPECTORS

Mr. Aderholt: How many meat and poultry slaughter and processing inspectors were funded in FY 2013 and FY 2014? How many will be funded under the President's budget request?

Response: FSIS inspection program personnel provide inspection at about 6,427 meat, poultry, and egg processing establishments around the country. FSIS funded 7,565 meat and poultry inspectors in FY 2013, and approximately 7,415 in FY 2014 and anticipates funding 7,312 permanent positions in FY 2015 based on Poultry Slaughter Rule implementation.

Mr. Aderholt: What is the retention rate for the meat and poultry inspection workforce and how does it compare to historic trends? What is USDA doing to ensure that there is a qualified inspection workforce for the future?

Response: The retention rate of in-plant inspection personnel in 2013 was 82.81 percent. FSIS continues to maintain a strong retention rate of 80 percent per year during the past decade. Attrition rates are monitored so that trends can be incorporated into recruitment plans.

FSIS is using a number of creative mechanisms to ensure that the Agency is able to hire and retain a quality inspection workforce for the future. Some of the tools available to FSIS include:

- Offering relocation incentives to new hires in hard-to-fill locations.
- Offering recruitment incentives to qualified personnel.
- Using Superior Qualifications, GS positions, to set the rate of basic pay above the minimum level.
- Offering performance awards for front-line inspectors.
- Offering a retention incentive for select employees who would be likely to leave Federal service without a retention incentive.
- Offering dual waiver compensation for reemployed annuitants.
- Targeting more colleges and diverse groups for potential qualified employees.

Mr. Aderholt: What is the Department's interpretation as to the minimal legal requirement for the number and frequency of inspectors in both slaughter and processing plants? Please provide a distinction for poultry and non-poultry plants as necessary.

Response: The same factors apply for poultry and non-poultry plants. In order to provide carcass-by-carcass inspection, inspectors must be continuously present for meat and poultry slaughter operations and egg processing operations, and must inspect meat and poultry processing plants at least once per shift per day. The number of inspectors in a slaughter establishment varies based on numerous factors which include species, carcasses slaughtered per minute, and type of slaughtering technique. The number in a processing plant varies based on a work load calculation, which is dependent on the types of operations conducted by the establishment.

PUBLIC HEALTH INFORMATION SYSTEM

Mr. Aderholt: Please provide the Committee with the total costs for the Public Health Information System in each year from FY 2009 to FY 2014 and estimated for FY 2015.

Response: The information is provided for the record.

[The information follows:]

PHIS FUNDING

Fiscal Year	Total
2007-2010	$37,849,040
2011	7,335,628
2012	7,394,480
2013	7,589,797
2014	6,821,563
2015(est)	5,270,651

COMMODITY CREDIT CORPORATION FUNDED APHIS TRANSFERS

Mr. Aderholt: Please provide for the Committee a complete list of all fiscal year 2008 through 2014 transfers from the CCC for the arrest and eradication of plant and animal pests and diseases, and those that have been requested, but not yet approved. For all transfers, note the amounts spent to date.

Response: The information is provided for the record.

[The information follows:]

COMMODITY CREDIT CORPORATION FUNDING
FY 2008-FY 2014
(Dollars in Thousands)

Program *	FY 2008 CCC Releases/ Redirections	FY 2008 Obligations	FY 2009 CCC Releases/ Redirections	FY 2009 Obligations	FY 2010 CCC Releases/ Redirections	FY 2010 Obligations/
Asian Longhorned Beetle	0	$764	$24,533	$23,967	$41,451	$24,809
Avian Influenza	0	127	0	402	0	0
Belgium/Vermont Sheet	0	7	0	0	0	0
Bovine Tuberculosis	$22,928	42,998	0	8,215	0	2,462
Cattle Fever Tick	5,233	4,082	4,894	4,768	0	751
Citrus Canker	0	7,260	0	29	0	0
Emerald Ash Borer	0	9,128	0	3,313	0	0
Exotic New Castle Disease	0	63	0	25	0	0
Fruit Fly	0	1,859	0	331	0	243
Glassy Winged Sharpshooter	0	252	0	252	0	0
Grasshopper	0	0	0	0	10,735	4,207
Infectious Salmon Anemia	0	32	0	30	0	0
Light Brown Apple Moth	74,539	34,467	0	26,210	0	22,068

Program *	FY 2008 CCC Releases/ Redirections	FY 2008 Obligations	FY 2009 CCC Releases/ Redirections	FY 2009 Obligations	FY 2010 CCC Releases/ Redirections	FY 2010 Obligations
Mormon Cricket	0	1,339	0	1,641	0	0
National Animal ID	0	14	0	783	0	0
Plum Pox Virus	0	243	0	0	0	0
Potato Cyst Nematode	0	9,710	0	2,080	0	138
Rabies	0	272	0	0	0	0
Spring Veremia of Carp	0	50	0	0	0	0
Sudden Oak Death	0	1,388	0	0	0	0
Redirection from existing CCC balances	-7,000	0	0		-16,070	0
TOTAL	$95,700	$114,055	$29,427	$72,046	$36,116	$54,678

Program *	FY 2011 CCC Releases/ Redirections	FY 2011 Obligations	FY 2012 CCC Releases/ Redirections	FY 2012 Obligations	FY 2013 CCC Releases/ Redirections	FY 2013 Obligations'
Asian Longhorned Beetle	0	$18,356	$14,294	$10,385	0	$4,283
Bovine Tuberculosis	0	1,760	0	1,606	0	352
Cattle Fever Tick	0	56	0	34	0	0
Emerald Ash Borer	0	122	0	0	0	0
European Grapevine Moth	$16,922	14,327	8,000	10,364	0	530
Grasshopper	0	322	0	246	0	48
Light Brown Apple Moth	0	5,702	0	1,922	0	0
Mormon Cricket	0	78	0	3	0	0
Potato Cyst Nematode	0	232	0	0	0	0
Redirection from existing CCC balances	-6,000	0	-1,000	0	0	0
TOTAL	$10,922	$40,955	$21,294	$24,560	0	$5,213

Program *	FY 2014 CCC Releases/ Redirections	FY 2014 Obligations	Total Obligations 2008 - 2014
Asian Longhorned Beetle	0	$922	$83,486
Avian Influenza	0	0	529
Belgium/Vermont Sheet	0	0	7
Bovine Tuberculosis	0	17	57,410
Cattle Fever Tick	0	31	9,722
Citrus Canker	0	0	7,289
Emerald Ash Borer	0	0	12,563
Exotic New Castle Disease	0	0	88
European Grapevine Moth	0	2,080	27,301
Fruit Fly	0	0	2,433
Glassy Winged Sharpshooter	0	0	503
Grasshopper	0	86	4,909
Infectious Salmon Anemia	0	0	62
Light Brown Apple Moth	0	0	90,369

Program *	FY 2014 CCC Releases/ Redirections	FY 2014 Obligations	Total Obligations 2008 - 2014
Mormon Cricket	0	0	3,061
National Animal ID	0	0	797
Plum Pox Virus	0	0	243
Potato Cyst Nematode	0	0	12,160
Rabies	0	0	272
Spring Vermia of Carp	0	0	50
Sudden Oak Death	0	0	1,388
Swine Enteric Coronavirus Disease	$26,170	9,811	9,811
Redirection from existing CCC balances	-5,273	0	0
TOTAL	$20,897	$12,947	$324,453

Note: Balances were available from CCC transfers in prior years.

OFFICE OF GENEREAL COUNSEL

Mr. Aderholt: Please describe the litigation at USDA for fiscal years 2012 through 2014. Include a summary of the cases, estimated costs and number of staff assigned to each case.

Response: Overall, our records reflect that OGC handled over 30,000 matters between 2012-2014, including over 473 cases we consider significant because of the associated monetary value or potential to impact USDA's program operations. We do not currently have the ability to provide estimates of our litigation costs. For the vast majority of cases, one attorney has primary responsibility for the individual case. However, more than one attorney may be assigned to complex cases, such as class action litigation. All attorneys manage significant litigation and/or counseling workloads.

OGC CIVIL RIGHTS CASES

Mr. Aderholt: Please provide a full status of civil rights cases by USDA agency for fiscal years 2010 to 2014. Provide the number of cases filed, the aggregate data showing the resolution of cases to include the number of cases won by the plaintiff and the number of cases settled by USDA or the federal government, and the amount of funds paid by the U.S. government to settle the cases. Also, please provide the latest data on unsettled cases filed against USDA, its respective agencies or individuals in their official capacity.

Response: Answer: The information is provided for the record.

[The information follows:]

USDA Equal Employment Opportunity
Complaint Activity-- Fiscal Year 2010

USDA Agency	Cases Filed	Accepted	Procedurally Dismissed	Withdrawn	Settled	Aggregate Settlement/Closure[2] Amount	Finding (Agency)	No Finding (Agency)	Finding (EEOC)	No Finding (EEOC)
AMS	12	17	4	0	6	$35,500.00	1	3	0	1
APHIS	45	37	13	1	21	$734,000.00	0	12	0	8
ARS	25	24	2	1	12	$296,900.00	0	4	0	1
CNPP	0	0	0	0	0	$0.00	0	0	0	0
CSD	13	9	1	0	11	$397,071.95	0	2	0	1
ERS	3	3	0	0	0	$0.00	0	0	0	0
FAS	3	3	1	2	3	$158,000.00	0	1	0	1
FNS	11	12	1	0	4	$114,533.44	0	2	0	0
FS	122	103	10	5	46	$1,285,249.51	8	22	3	17
FSA	50	47	4	4	10	$304,702.46	2	7	0	3
FSIS	71	87	7	12	36	$474,913.96	1	19	1	5
GIPSA	9	11	0	1	2	$9,565.00	0	2	0	2
NAD	1	0	0	0	0	$0.00	0	0	0	0
NAL	0	0	0	0	0	$0.00	0	0	0	0
NASS	1	2	0	0	3	$10,675.00	0	0	0	0
NIFA	0	0	0	0	0	$0.00	0	0	0	0
NRCS	27	25	5	1	14	$559,273.75	1	17	0	6
OCFO	28	25	6	1	14	$382,179.82	0	3	0	7
OIG	8	8	0	1	4	$16,924.08	0	0	0	1
RD	46	51	4	5	18	$468,674.50	3	19	0	13
RMA	3	3	0	1	4	$22,561.28	0	1	0	0
Total	**478**	**467**	**58**	**35**	**208**	**$5,270,724.75**	**16**	**114**	**4**	**66**

USDA Equal Employment Opportunity
Complaint Activity-- Fiscal Year 2011

USDA Agency	Cases Filed	Accepted	Procedurally Dismissed	Withdrawn	Settled	Aggregate Settlement/Closure[2] Amount	Finding (Agency)	No Finding (Agency)	Finding (EEOC)	No Finding (EEOC)
AMS	18	14	2	1	6	$164,103.00	0	3	0	3
APHIS	49	48	8	1	10	$161,357.75	1	13	1	10
ARS	18	23	2	3	8	$331,500.00	2	8	0	1
CNPP	0	0	0	0	0	$0.00	0	0	0	0
CSD	29	29	0	0	5	$31,541.00	0	1	0	0
ERS	1	1	0	0	1	$9,800.00	0	0	0	0
FAS	7	3	3	0	1	$4,000.00	0	0	0	0
FNS	7	8	0	1	7	$14,870.16	0	1	0	0
FS	149	137	22	3	34	$870,136.41	10	33	1	17
FSA	38	39	8	3	15	$500,580.74	3	16	1	2
FSIS	81	66	10	8	18	$951,979.99	4	20	0	6
GIPSA	11	7	1	1	2	$0.00	0	3	0	2
NAD	0	1	0	0	0	$0.00	0	0	0	0
NAL	0	0	0	0	0	$0.00	0	0	0	0
NASS	2	0	0	0	1	$18,285.00	0	0	0	0
NIFA	3	1	0	0	1	$49,000.00	0	0	0	0
NRCS	29	28	1	2	5	$75,408.00	1	16	0	1
OCFO	34	28	5	3	9	$640,000.00	0	0	0	4
OIG	2	2	1	0	2	$182,920.00	0	0	0	0
RD	47	43	5	5	13	$242,877.30	6	11	0	7
RMA	9	7	2	0	0	$0.00	0	3	0	0
Total	**534**	**485**	**70**	**31**	**138**	**$4,248,359.35**	**27**	**128**	**3**	**53**

USDA Equal Employment Opportunity
Complaint Activity-- Fiscal Year 2012

USDA Agency	Cases Filed	Accepted	Procedurally Dismissed	Withdrawn	Settled	Aggregate Settlement/Closure[2] Amount	Finding (Agency)	No Finding (Agency)	Finding (EEOC)	No Finding (EEOC)
AMS	21	19	1	1	11	$624,494.00	0	6	0	0
APHIS	49	41	7	1	15	$101,375.00	1	16	0	3
ARS	30	24	3	3	7	$317,753.90	1	8	0	5
CNPP	0	0	0	0	0	$0.00	0	0	0	0
CSD	35	31	0	2	7	$753,975.17	1	6	0	3
ERS	1	1	0	1	0	$0.00	0	0	0	0
FAS	10	7	2	0	1	$2,500.00	1	0	0	1
FNS	10	10	0	2	0	$0.00	0	3	0	4
FS	172	162	18	6	45	$1,678,200.00	6	41	0	9
FSA	29	29	0	0	10	$181,000.00	1	14	1	12
FSIS	69	70	7	5	29	$626,241.17	1	20	1	9
GIPSA	9	10	0	1	2	$10,000.00	1	2	0	2
NAD	0	0	0	0	1	$24,000.00	0	0	0	0
NAL	0	0	0	0	0	$0.00	0	0	0	0
NASS	1	3	0	0	1	$0.00	0	0	0	0
NIFA	1	1	1	0	1	$25,000.00	0	0	0	0
NRCS	41	35	3	0	11	$156,660.00	2	7	0	4
OCFO	23	32	0	3	5	$2,200.00	0	11	0	1
OIG	8	7	0	0	0	$0.00	0	1	0	0
RD	36	37	5	3	12	$317,274.82	1	19	0	4
RMA	5	5	0	1	3	$98,000.00	1	3	0	0
Total	**550**	**524**	**47**	**29**	**161**	**$4,918,647.06**	**17**	**157**	**2**	**57**

USDA Equal Employment Opportunity
Complaint Activity-- Fiscal Year 2013

USDA Agency	Cases Filed	Accepted	Procedurally Dismissed	Withdrawn	Settled	Aggregate Settlement/Closure[2] Amount	Finding (Agency)	No Finding (Agency)	Finding (EEOC)	No Finding (EEOC)
AMS	13	12	2	0	2	$27,500.00	2	5	0	3
APHIS	43	34	7	1	16	$163,000.00	0	16	0	9
ARS	23	20	2	2	4	$17,000.00	0	10	0	4
CNPP	0	0	0	0	0	$0.00	0	0	0	0
CSD	46	36	6	2	13	$331,316.00	0	5	0	2
ERS	3	2	0	3	14	$15,000.00	0	0	0	1
FAS	5	5	0	0	2	$0.00	0	1	0	0
FNS	15	14	2	2	4	$14,000.00	0	2	0	1
FS	180	148	30	5	53	$1,117,194.34	4	53	1	20
FSA	26	22	2	3	7	$106,000.00	0	10	0	10
FSIS	47	41	9	3	20	$545,506.75	3	23	0	6
GIPSA	3	3	1	1	2	$0.00	0	2	0	1
NAD	0	0	0	0	0	$0.00	0	0	0	0
NAL	0	0	0	0	0	$0.00	0	0	0	0
NASS	1	1	0	0	1	$0.00	0	1	0	0
NIFA	1	1	0	1	1	$5,000.00	0	0	0	0
NRCS	48	43	5	2	14	$465,146.24	2	7	0	1
OCFO	30	29	0	4	8	$55,751.00	0	30	0	3
OIG	5	5	1	0	0	$325,109.33	1	2	2	1
RD	52	45	3	2	13	$149,786.62	3	20	1	4
RMA	4	2	2	0	1	$0.00	0	2	1	0
Total	**545**	**463**	**72**	**31**	**175**	**$3,337,310.28**	**15**	**189**	**5**	**66**

USDA Equal Employment Opportunity
Complaint Activity-- Fiscal Year 2014

USDA Agency	Cases Filed	Accepted	Procedurally Dismissed	Withdrawn	Settled	Aggregate Settlement/Closure[2] Amount	Finding (Agency)	No Finding (Agency)	Finding (EEOC)	No Finding (EEOC)
AMS	9	7	1	0	6	$93,250.00	1	6	0	5
APHIS	42	40	6	2	14	$150,546.55	1	10	2	6
ARS	10	13	1	2	7	$115,649.00	1	6	0	8
CNPP	0	0	0	0	0	$0.00	0	0	0	0
CSD	37	29	2	4	17	$206,032.00	1	12	0	5
ERS	3	2	1	0	0	$0.00	0	0	0	1
FAS	7	8	0	0	0	$0.00	0	2	0	2
FNS	11	7	3	0	2	$7,500.00	0	6	0	0
FS	151	126	20	7	38	$514,346.25	3	40	0	25
FSA	20	17	2	0	7	$607,600.00	0	6	0	12
FSIS	60	49	6	5	13	$144,500.00	5	20	0	26
GIPSA	9	9	0	1	2	$0.00	0	1	0	0
NAD	2	1	1	0	0	$0.00	0	0	0	0
NAL	0	0	0	0	0	$0.00	0	0	0	0
NASS	1	1	0	0	0	$0.00	0	1	0	0
NIFA	3	3	0	1	0	$0.00	0	0	0	0
NRCS	46	43	7	3	12	$96,731.30	1	15	0	2
OCFO	19	17	2	2	6	$80,303.20	1	19	1	13
OIG	9	9	0	1	0	$0.00	0	0	0	3
RD	31	32	5	3	3	$177,907.86	1	19	3	9
RMA	6	5	1	0	0	$0.00	0	2	0	1
Total	**476**	**418**	**58**	**31**	**127**	**$2,194,366.16**	**15**	**165**	**6**	**108**

Status of Open Equal Employment Opportunity Complaint Inventory by USDA Agency As of October 1, 2014

USDA Agency	Pending Accept/Dismiss	Pending Investigation	Pending Final Agency Action	In EEOC Hearing
AMS	2	1	0	9
APHIS	3	14	3	42
ARS	2	4	0	11
CNPP	0	0	0	0
CSD	11	6	10	43
ERS	0	0	1	2
FAS	0	6	2	11
FNS	1	3	2	11
FS	26	58	44	184
FSA	6	10	3	42
FSIS	10	23	7	42
GIPSA	0	8	0	9
NAD	0	0	0	1
NAL	0	0	0	0
NASS	0	0	0	1
NIFA	0	2	0	0
NRCS	2	17	7	47
OCFO	1	4	5	12
OIG	1	4	1	14
RD	3	15	9	54
RMA	1	3	0	4
Total	**69**	**178**	**94**	**539**

Program CR Complaints FY 2010						
Agency	Complaints Filed/Accepted	Complaints Closed	Findings	Findings Cost	Settled	Settlement Cost
APHIS	3	-	-	-	-	-
ARS	-	-	-	-	-	-
FAS	2	-	-	-	-	-
FNS*	197	697	1	-	-	-
FS	5	4	-	-	-	-
FSA	44	43	2	$512,723	1	$13,000,000
FSIS	2	-	-	-	-	-
GIPSA	-	-	-	-	-	-
NIFA	-	-	-	-	-	-
NRCS	5	1	-	-	-	-
RD*	84	82	1	$8,000	6	$2,686
RMA	1	1	-	-	-	-
Total	**343**	**828**	**4**	**$520,723**	**7**	**$13,002,686**

Program CR Complaints FY 2011						
Agency	Complaints Filed/Accepted	Complaints Closed	Findings	Findings Cost	Settled	Settlement Cost
APHIS	2	2	-	-	-	-
CREES	1	1	-	-	-	-
FNS*	175	306	1	-	-	-
FS	31	16	-	-	-	-
FSIS	0	1	-	-	-	-
FSA	24	153	3	$554,149	4	$1,331,489
GIPSA	1	1	-	-	-	-
NIFA	-	-	-	-	-	-
NRCS	7	7	-	-	-	-
RD*	57	367	-	-	5	$500
RMA	3	1	-	-	-	-
Total	**301**	**855**	**4**	**$554,149**	**9**	**$1,331,989**

Program CR Complaints FY 2012						
Agency	Complaints Filed/Accepted	Complaints Closed	Findings	Findings Cost	Settled	Settlement Cost
AMS	1	1	-	-	-	-
APHIS	-	-	-	-	-	-
CREES	-	1	-	-	-	-
DM	1	-	-	-	-	-
FNS	193	401	1	-	-	-
FS	11	59	1	-	-	-
FSA	18	58	5	$188,145	2	$155,244
FSIS	-	-	-	-	-	-
GIPSA	-	1	-	-	-	-
NIFA	-	-	-	-	-	-
NRCS	5	-	-	-	-	-
RD	50	365	2	$4,000	-	-
RMA	1	3	-	-	-	-
Total	**280**	**889**	**9**	**$192,145**	**2**	**$155,244**

Program CR Complaints FY 2013						
Agency	Complaints Filed/Accepted	Complaints Closed	Findings	Findings Cost	Settled	Settlement Cost
CREES	-	1	-	-	-	-
DM	-	-	-	-	-	-
FNS	148	161	-	-	2	-
FS	2	39	-	-	1	-
FSA	23	108	-	-	6	-
FSIS	-	-	-	-	-	-
NRCS	3	8	-	-	-	-
RD	94	156	3	-	9	-
RMA	-	3	-	-	-	-
Total	**270**	**476**	**3**	**$0**	**18**	**$0**

Program CR Complaints FY 2014						
Agency	Complaints Filed/Accepted	Complaints Closed	Findings	Findings Cost	Settled	Settlement Cost
AMS	1	-	-	-	-	-
CREES	-	1	-	-	-	-
DM	-	-	-	-	-	-
FNS	95	56	2	-	11	-
FS	3	7	-	-	2	-
FSA	17	31	-	-	9	$62,500
FSIS	-	-	-	-	-	-
NIFA	-	-	-	-	-	-
NRCS	6	4	-	-	-	-
RD	90	85	-	-	9	$1,500
RMA	-	-	-	-	-	-
Total	**212**	**184**	**2**	**$0**	**31**	**$64,000**

Open Program Civil Rights Complaints by Agency	
AMS	1
DM	1
FNS	95
FS	8
FSA	79
FSIS	1
NIFA	1
NRCS	16
RD	179
RMA	4
Grand Total	**385**

OFFICE OF COMMUNICATIONS ACTIVITIES

Mr. Aderholt: Please provide a table showing how much of the Office of Communications' budget is spent on all forms of communication activities focused on each of USDA's seven mission areas for fiscal years 2012 to 2014. Please provide a table that also shows the volume of the various forms of communication, such as press releases, blogs, editorials, and social media posts.

Response: For fiscal years 2012 to 2014, the breakdown of the Office of Communications budgets spent on all forms of communications activities by USDA's seven mission areas is given in the table below:

Mission Area	FY 2012	FY 2013	FY 2014
Farm and Foreign Agricultural Services	1,089,080	1,105,124	1,070,448
Food, Nutrition and Consumer Services	1,097,061	1,226,373	1,256,670
Food Safety	1,090,320	1,082,827	1,027,607
Marketing and Regulatory Programs	1,096,792	1,124,895	1,090,207
Natural Resources and Environment	1,173,661	1,199,016	1,290,189
Research, Education and Economics	1,283,082	1,324,641	1,294,724
Rural Development	1,235,004	1,297,124	1,035,155
Total	8,065,000	8,360,000	8,065,000

The volume of various forms of communication is shown in the table below:

Communication Product	FY 2012	FY 2013	FY 2014
Press releases	650	690	710
Press inquiry responses	780	780	780
Media advisories	260	270	265
Media events	40	45	45
Speeches	60	32	120
Editorials/Statements/Op-Eds	76	78	93
Briefings for Secretary and Deputy Secretary	60	60	380
Video/Radio messages scripts	23	3	15
Draft Congressional testimony	2	2	2
Talking Points	5	8	38
Supplemental communications products	1	0	70
TV features	51	63	28
TV actuality packages	15	9	10
Secretary and Deputy Secretary video messages and statements	30	34	34
Weekly radio features	572	572	561
Radio news stories	2,401	2,344	2,348
Media call-ins	82	23	36
Broadcasters Newsletter	51	51	49
Web pages	28	30	36

Communication Product	FY 2012	FY 2013	FY 2014
Web content items created	605	360	417
Twitter uploads	1,420	1,213	1,414
Facebook uploads	1,270	1,005	1,102
Storify uploads	8	10	13
Instagram uploads	0	16	93
Number of Blogs	1,166	849	894
Internet town meetings	8	5	9
YouTube minutes watched	28,230	381,625	619,529
YouTube Views	215,258	229,284	296,155
Telephone inquiry responses	6,999	9,412	7,337
Direct mail responses	1,999	3,703	3,727
E-mail inquiry responses	29	1,023	633
Frequently asked question responses	301,688	314,675	365,512
Responses to telephone and mail requests from members of Congress	14	15	3
Manuscripts cleared	291	267	228
Constituent briefings held	36	33	32
Pictures	717	1,148	1,256
DVD/CD's of photos distributed	387	337	321
Flickr images	6,204	3,418	3,177
Number of print jobs managed	2,897	2,623	1,957

BIOTECHNOLOGY AND TRADE

Mr. Aderholt: You have made statements about your involvement with the biotechnology reviews of seed with our international trading partners. Specifically, you said "…it is not just enough for us to approve and accelerate our regulatory approval process, we also have to get our friends and neighbors in the international community to do the same." In your response, you mentioned work with China.

You know that marketability and predictability are vital needs of U.S. farmers when making business decisions. After the trade disagreements with China on U.S. exports of corn a few months ago, the office of the U.S. Trade Representative and the White House were reminded once again of the vital need for improving the timeliness and predictability of international regulatory systems. It is our responsibility to work on behalf of our Ag constituents to help lessen the unpredictability of foreign markets.

What have you and your colleagues in the Administration, including USTR and the National Security Council, done to ensure biotech trade matters remain one of the highest priorities when working with international trading partners?

Response: It is essential that trade of biotechnology products be reliable. Almost all the corn, cotton and soybeans grown in the United States are genetically engineered (GE) varieties. U.S. exports of GE products are often subject to complex regulatory barriers and concerns over

consumer acceptance in overseas markets. USDA engages on this issue internationally at multiple levels to encourage the development of regulations and systems that are transparent, science-based, and in accordance with international standards and WTO obligations. These efforts support the USDA Strategy for Facilitating the Export of GE Agricultural Commodities. USDA coordinates in these efforts with numerous agencies, including the U.S. Trade Representatives (USTR), Department of State (DoS), the Food and Drug Administration (FDA), Environmental Protection Agency (EPA), and U.S. Agency for International Development (USAID) among others.

USDA's Foreign Agricultural Service (FAS) works with our partners and others in the United States Government (USG) to monitor and negotiate new trade agreements and enforce existing trade agreements. On a continuing basis, attachés and analysts in Washington, covering more than 150 countries worldwide, prevent and resolve trade problems involving U.S. products, and provide country and regional intelligence to support U.S. exporters and agricultural producers. These efforts directly augment the private sector's ability to export. Furthermore, they support the President's National Export Initiative goal to spur job creation and sustainable economic growth through the doubling of exports by 2015

In 2013, FAS led U.S. Government efforts that quickly reopened Korea and Japan to U.S. wheat exports valued at about $1.5 billion annually. These countries suspended tendering for U.S. origin wheat and wheat flour following the detection of genetically engineered wheat volunteers in a field in Oregon in May 2013. USDA's quick response also likely prevented other major markets from closing their doors to U.S. wheat imports, thus minimizing the trade disruption from this incident.

USDA engages in formal and regular interactions with several key countries. These interactions promote U.S. exports of genetically engineered (GE) products by ensuring that trading partners understand and accept the U.S. system for regulating GE crops. For example, in FY 2014, USDA's Animal and Plant Health Inspection Service (APHIS) worked closely with Mexico and Canada on technical and regulatory biotechnology issues in bilateral, regional, and international settings. With colleagues in the Environmental Protection Agency, the Food and Drug Administration, USDA participated in bilateral discussions and regulatory workshops with Chinese biotechnology regulators and developers.

Mr. Aderholt: What else can you and the Administration do to help mitigate trade disruptions as they relate to biotech across the globe and within APEC in particular?

Response: The United States is one of the world's largest exporters of agricultural products, which helps feed the world's population, and our export markets are critical to the health of U.S. farm communities around the country. Most of the corn and soybeans we export are biotechnology-derived, and this means that working with our trading partners is critical to help them understand the technical aspects of new products and how we have determined that they meet our high safety standards, to open up new markets, and to ensure that our products are treated fairly in the global marketplace. USDA will continue participating in the international arena, which includes engagement with the Asia Pacific Economic Cooperation within the scope of our authority.

BLUEPRINT FOR STRONGER SERVICE

Mr. Aderholt: In your written testimony, you mention that through the Blueprint for Stronger Service, USDA has achieved almost $1.2 billion in savings and efficiencies. Are these savings in addition to OR part of the efforts to reduce administrative costs, streamline operations and improve program integrity that are assumed in the budget request?

Response: The savings and cost avoidances discussed in the testimony are the result of the streamlining activities of the Blueprint for Stronger Service. These activities have focused on reducing administrative costs, examining operational efficiency opportunities, and improving program management across the Department. Overall, the results generated by the Blueprint were included in the budget request.

Mr. Aderholt: What are the savings and efficiencies from the Blueprint for Stronger Service?

Response: The savings and efficiencies generated through Blueprint activities have included a range of results, including reductions in administrative redundancies, efficiencies generated from programmatic and process improvements, and savings and cost avoidances resulting from improved management oversight and business improvements. A breakout of these results is provided in response to the following question.

Mr. Aderholt: Will you provide us a list of the savings?

Response: A table listing the savings and efficiencies resulting from the Blueprint is provided for the record.

Blueprint for Stronger Service
Savings/Efficiency Realized
(Dollars in Thousands)

Initiative	***FY 2010-14***
Improved oversight - Advisory Contracts	*$60,013*
Agency-specific initiatives (e.g., process improvements and organizational changes)	*57,000*
Strategic Sourcing/ Shared First Policy	*84,573*
Office Closures	*91,000*
Travel Efficiencies	*378,823*
Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP)	*142,800*
Real Property Disposals/Terminated Projects(not including Office Closures)	*259,200*
Sustainability - Energy Savings	*6,500*
Improved Space Management	*25,200*
IT Service and Hosting Efficiencies	*20,000*
Streamlined IT Purchases	*115,551*
Reduced publications/printing	*24,430*
Centralized Supply Purchases	*83,487*
Promotional Item (Swag) reductions	*1,841*
Telework - Transit Subsidy avoidance	*18,000*
Blueprint Total /	**$1,368,418**

/ In addition an estimated $4 billion in savings will be achieved over ten years as a result of the renegotiation of the Standard Reinsurance Agreement in 2010.

Mr. Aderholt: Is USDA still implementing the Blueprint? What more needs to be done?

Response: The Department continues to implement efficiency and savings initiatives as part of the Blueprint. Key areas of focus for the coming months and years will be increased use of strategic sourcing for Departmental procurement activities and an evaluation of the efficiency with which the Department uses its leased and owned space. In addition, USDA will be examining the management of its workers compensation process to identify opportunities for further cost reductions and expanding the use of shared services across the Department to decrease redundant or duplicative administrative functions.

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

BRAZILIAN BEEF

Mr. Yoder: It is my understanding that USDA is considering a proposed rulemaking that would allow fresh and frozen beef from Brazil to be imported into the United States.

Can you tell me the last time that USDA employees were in Brazil for site visits regarding this rule and what their impression is of the commitment and follow through from the Brazilian government to keep the U.S. safe from Foot and Mouth Disease?

In addition, it is my understanding that when outside groups representing farmers and ranchers asked APHIS for the documents used to prepare this proposed rule, many of the documents APHIS provided were in Portuguese.

Response: USDA employees conducted a rigorous risk analysis of the region and visited Brazil five times to verify and complement the information provided by the Brazilian authorities. The most recent visit was in February 2013. USDA officials found that the surveillance, prevention, and control measures implemented by Brazil in the states under consideration are sufficient to minimize the risk of introducing Foot and Mouth Disease (FMD) into the United States via the importation of fresh/frozen boneless beef. Based on the findings of the visits and through evaluation of the FMD situation in the region, USDA has concluded that the commodity under consideration can be safely imported into the United States.

USDA has shared all of the documents that Brazil provided with any constituents who requested them. Some of the documents used as a reference in the risk analysis were submitted to us in Portuguese. The information Brazil provided and the conclusions reached are thoroughly described in the risk analysis that was made available for public comments.

Mr. Yoder: Did APHIS translate these documents in order to take their information into account while preparing this rule? If so, why weren't the translated versions of the documents provided to the public in order to help them better understand USDA's rationale for this proposed rule?

Response: USDA has shared all of the documents that Brazil provided with any constituents who requested them. Some of the documents used as a reference in the risk analysis were submitted to us in Portuguese. USDA personnel involved in the evaluation had sufficient language skills to read these documents without requiring they be translated into English. In addition, in most instances the same or related data were provided in other English language documents or verbally presented to USDA during site visits. The information Brazil provided and the conclusions reached are thoroughly described in the risk analysis that was made available for public comments.

Mr. Yoder: Did USDA work with our domestic producers while preparing this rule?

Response: In December 2013, USDA published a proposed rule to allow fresh/frozen beef with Foot and Mouth Disease mitigations to be imported from 14 States in Brazil. In March 2014, the Department extended the comment period by 60 days, until April 22, 2014. This extension provided domestic producers with additional opportunity to register their input on this rule.

USDA is carefully considering all comments received on this rule, and will determine whether to finalize or modify the regulatory changes.

FOOD & NUTRITION - PARTICIPATION IN SCHOOL MEALS

Mr. Yoder: Last month USDA officials were quoted as stating that participation in school meal programs has increased since implementation of the meal pattern regulations. Yet, a recent Government Accountability Office report (GAO-14-104) showed that nationwide participation in the school lunch program declined by 1.2 million students (3.7 percent).

As of today, has participation in the National School Lunch_Program increased or decreased?

Response: Total average daily participation in the school lunch program has decreased from fiscal year 2011 through 2014 and is currently at about the same level as it was in 2006. However, within the total, there have been marked differences in behavior between children who receive free meals and those who pay full price for meals. Free participation has been increasing since 2006. Over 4.2 million more children receive free lunches on any given school day in 2014 as compared to 2006. Conversely, participation by children paying full price for their lunches has been dropping since 2006. About 3.6 million fewer children are paying full price for their lunches in 2014 as compared to 2006. The will be a provision.

[The information follows:]

National School Lunch Program Average Daily Participation
FY 2006 - FY 2014
(numbers in thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
National School Lunch Program									
Free	14,775	14,961	15,392	16,280	17,579	18,354	18,721	18,936	19,076
Reduced Price	2,947	3,053	3,125	3,165	3,028	2,710	2,749	2,581	2,481
Paid	12,406	12,616	12,499	11,865	11,146	10,777	10,183	9,159	8,748
Total	30,128	30,630	31,016	31,310	31,753	31,841	31,653	30,676	30,305
Change in total participation		1.67%	1.26%	0.95%	1.41%	0.28%	-0.59%	-3.09%	-1.21%
Change in free participation		1.26%	2.88%	5.77%	7.98%	4.41%	2.00%	1.15%	0.74%
Change in paid participation		1.69%	-0.93%	-5.07%	-6.06%	-3.31%	-5.51%	-10.06%	-4.49%

Mr. Yoder: Providing students healthier meals is an important goal we all share, but I am concerned about the sustainability and future of the school meal programs, particularly challenges such as increased costs and increased food waste from kids throwing away the fruits and vegetables they are required to take even if they have no intention of eating them.

Response: Safeguarding the health of children and the sustainability of the school meal programs is important for all of us. To help with implementation of the new meal requirements, school districts certified in compliance with the meal pattern earn a 6-cent per meal additional reimbursement. As of June 2014, over 90 percent of school food authorities (SFAs) report compliance with the new the meal pattern requirements, which means that the majority of the total lunches served by program operators this school year are receiving the additional reimbursement. And since the

average SFA earns more than half of its total revenue from Federal meal reimbursements, which are adjusted annually for food cost inflation, this additional funding is an important factor in sustaining the quality of the meals offered to children.

In addition to availability of the additional performance-based 6-cent reimbursement, the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) requires that schools set an adequate price for paid lunches yearly so that schools receive as much revenue from paid lunches as the Federal program provides for free lunches. The HHFKA also requires that schools set competitive prices for a la carte foods so that revenues received from the sale of non-program foods equal the cost of obtaining them. When taken together, USDA estimates that the additional 6-cent reimbursement provided for improved meals and the non-Federal revenue generated by the above provisions will, on average, provide enough revenue for schools to meet the new meal requirements.

Different factors determine the sustainability of a school foodservice operation, including staff qualifications and training, food procurement and menu planning decisions, and other business practices. USDA is working with the National Food Service Management Institute (NFSMI) to offer training and technical assistance to school districts that are facing difficulties. We recently announced the *Team Up for School Nutrition Success Initiative*, which will provide learning experiences and resources, both training and peer-to-peer mentorship, to help schools make progress in meeting the requirements with financial stability and strong student participation. NFSMI will pilot this initiative, which allows selected SFAs in the Southeast region to participate in an expense-paid, tailored training workshop and then enter into a peer-to-peer mentoring program designed to address SFAs' individual needs and resources. The pilot will be conducted with approximately 48 SFAs starting in November 2014. NFSMI will also conduct a 3, 6, and 12-month follow up with those SFAs to see what progress has been made and if there is need for additional training. The result of the pilot and the outcomes from the participating SFAs in the Southeast Region will help to inform future efforts so the initiative may then be rolled out more widely.

Mr. Yoder: As I mentioned in my previous question, the recent GAO report indicated that the school lunch program participation decline of 1.2 million students was driven primarily by a decline of 1.6 million students who pay full price for their meals despite increases in students eating lunch who receive free meals. This decline in paid meal participation only exacerbates the cost burdens placed on schools that depend on paid meal revenue to help cover the increased cost of providing meals under the new regulations.

Response: The reduction in paid lunch participation relative to total participation began before the introduction of new meal requirements in School Year (SY) 2012-2013. Much of that reduction is tied to increased student eligibility for free meals, particularly since the start of the recession in FY 2008. But the reduction in paid lunch participation also coincides with the long term successful efforts of local, State, and Federal officials to promote, improve and adopt methods that reduce the burden of the meal application process. Increased use and accuracy of the direct certification for children who receive other benefits that make them automatically eligible for free meals, including USDA's Supplemental Nutrition Assistance Program, have lowered the number of paid meals claimed. In addition, more schools are adopting the Community Eligibility Provision (CEP), which went nationwide in SY 2014-15. CEP provides an alternative to

requiring household applications for free and reduced price meals and offers all students free meals in high poverty districts and schools. These methods have increased the number of eligible children certified for free meals who in past years may have purchased full price meals.

As of June 2014, over 90 percent of school districts report compliance with the new the meal pattern requirements, which means that the majority of the total lunches served by program operators this school year are receiving the additional reimbursement. And since the average SFA earns more than half of its total revenue from Federal meal reimbursements, which are adjusted annually for food cost inflation, this additional funding is an important factor in ensuring school districts run financially sound programs.

Despite concerns raised about the impact of new standards on participation and costs, a USDA analysis suggests that in the first year of implementing updated meal patterns, schools saw a net nationwide increase in overall revenue from school lunches of approximately $200 million. This includes the annual reimbursement rate adjustments, as well as per-meal increases in revenue from paid meals and the additional 6 cents per lunch for schools meeting the new meal standards.

Mr. Yoder: It is my understanding that USDA has implemented training programs in an effort to help school food service personal. Aside from those training programs, does USDA have a plan to address the decline in school lunch paid meal participation?

Response: Maintaining participation in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) continues to be an important priority for USDA. We are taking actions to review the data regarding participation as well as address the technical assistance that can be provided to the school food authorities (SFA) to ensure that participation in the NSLP and SBP is maintained and/or increased in the coming months.

To assist SFAs with overall participation, we have collaborated with the National Food Service Management Institute (NFSMI) to develop a pilot program - Team Up for School Nutrition Success (Team Up). The Team Up pilot will provide hands-on technical assistance to SFAs to help maintain and/or increase participation. Technical assistance will include training on: menu planning; financial management; procurement; meal presentation and appeal; youth engagement; etc. In addition to the Team Up pilot, we also offer a variety of opportunities for SFAs to receive additional funding for technical assistance and training. Additional opportunities that may help increase paid participation include: Team Nutrition (TN) Training Grants for Healthy Meals; and the Chefs Move to Schools Program.

In addition, USDA is working with Cornell University to improve our understanding of how lunchroom factors, such as meal presentation, good lighting and creative names of foods, can be effectively used to influence student food choices and consumption.

It should be noted that any short term impacts of the implementation of the new meal patterns were not evident in participation in the breakfast program which experienced the first round of meal pattern changes in the 2013 - 2014 school year. Total breakfast participation increased by almost 3% in FY 2013 and has increased by almost 25% since 2008.

FARM SERVICE AGENCY - COUNTY OFFICE CLOSINGS

Mr. Yoder: The budget justification states the following:

"FSA plans on reducing the more costly headquarters and state office staffs and replacing them with field delivery staff. The $32.1 million cost for approximately 304 headquarters and state office employees will be replaced with $25.3 million to hire nearly the same level of FTE's in the field offices."

Can you tell us how the Department determines which offices should close? Are you conducting some type workload assessment or simply selecting offices by physical location?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

Mr. Yoder: When drafting this budget request, did the Department take into account the impact the 2014 farm bill will have on producer's interactions with the Department. For example, it is my understanding that row crop producers now have the option to select one of two support programs. Wouldn't the local FSA staff be best suited to discuss these options with farmers and track the changes they select for program participation?

Response: FSA county offices will continue to play a strong role in helping producers enroll in farm programs. USDA, through partnerships with Universities, will also develop a number of web-based tools to assist producers in choosing the right programs for their farm or operation, and will use state cooperative extension services to help train and advise producers on these tools.

Mr. Yoder: FSA's budget justification document on page 24-23 states the following:

"there is a potential to close or consolidate 250 field offices"

"If the agency is able to close these offices by the end of FY 2014, it would provide a savings of approximately $5 million in FY 2015."

Do you expect the agency will close offices before the end of fiscal year 2014? If so, how many offices will close and where are these offices located?

Response: No FSA office closures occurred in FY 2014. No office closure plan has been approved nor has the Agency developed a list of offices to close.

Mr. Yoder: Given the budget proposals, what is your long-term plan for FSA's county office structure?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

FSA is working on a service center concept to realign workforce and invest in technology to improve customer service to FSA programs, expand options in program delivery, and serve as a referral gateway to other agricultural and rural services. The concept is intended to establish a more flexible footprint in each State to best utilize staff resources, improve outreach to new and current customers and enhance cross training of FSA employees. The centralization of program service, resulting in generally larger staffs, will provide managers with greater employee supervision and oversight, increase opportunities to train employees, and improve internal controls that ultimately will improve efficiencies in program delivery and enhance public trust in the agency.

FSA's salaries and expenses budget request reflects USDA's continued commitment to achieving cost-savings and increased efficiencies, while continuing to provide farmers and ranchers with the highest levels of customer service.

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and enhance cross training of FSA employees. The centralization of program service, resulting in generally larger staffs, will provide managers with greater employee supervision and oversight, increased opportunities to train employees, and improved internal controls that ultimately will improve efficiencies in program delivery and enhance public trust in the agency.

Mr. Yoder: The budget justification (page 24-24) includes a chart detailing FSA staff reductions by state. How did the agency develop these state specific staff changes if it remains unclear which 250 offices will be consolidated or closed?

Response: The state staffing levels identified on the referenced chart were prorated by the percentage of overall reduction and applied to each state. No FSA office closures occurred in FY 2014. No office closure plan has been approved nor has the Agency developed a list of offices to close.

Mr. Yoder: What is the Model Service Center approach? Are you including Rural Development, the Natural Resource Conservation Service and other agencies?

Response: The Model Service Center approach provides States with a tool to develop a localized county office network plan to better serve their customers and provide greater support and professional opportunities for all FSA field employees. States will be tasked to strategically align agency resources with agency workload. This review will empower States to begin to shift local resources to County Offices where the workload is the greatest and will give Agency leadership around the nation the local flexibility to deliver programs effectively and efficiently for America's farmers and ranchers.

This structure will give maximum flexibility to local leadership to develop a county office infrastructure that is tailored to local workload, customer demographics, and available human resources with a keen emphasis on its most important resources, our employees.

Mr. Yoder: This Committee has significantly invested in USDA's MIDAS computer program. At the same time, the Department is exploring options for streamlining crop acreage reports. When do you expect the streamlining project will be complete and do you expect the newly designed acreage reporting program will be part of the MIDAS system?

Response: The functionality associated with MIDAS Acreage/Inventory Reporting is being revisited to more closely align with broader USDA Department-wide initiatives. New business processes to support the Acreage and Crop Reporting Streamlining Initiative (ACRSI) will be piloted in spring 2015. With the conclusion of the pilot, an alternatives analysis will be performed to determine the best approach to meet internal Acreage Reporting/Inventory Reporting (AR/IR) system requirements.

Mr. Yoder: Your testimony states that there is a significant rural component to poverty in America. The statement also claims that 85 percent

of the nation's poorest counties are rural, and per capita income in rural America lags behind that in urban areas. How does closing 250 county offices and eliminating over 800 positions help USDA service rural customers or address rural poverty?

Response: No FSA office closures occurred in FY 2014. No office closure plan has been approved nor has the Agency developed a list of offices to close.

NUTRITION - INFANT FORMULA

Mr. Yoder: There have been numerous studies that breastfeeding is the best option for infants from a nutritional standpoint. However, some moms cannot or choose not to breastfeed, and iron fortified infant formula is the only recommended option for these moms. Based upon the current scientific research of breast milk, leading regulatory bodies including the FDA, European Union and CODEX Alimentarius recommend a range of caloric density for infant formula. The American Academy of Pediatrics also recommends a range, instead of a minimum, and has written to ask the Department to review the current WIC 20 kilocalorie minimum regulation. All of the major infant formula manufacturers have lower caloric formulas outside of the US, since studies show that breastmilk has a caloric density lower than 20 kilocalories per fluid ounce. However, it is my understanding that USDA WIC regulations are the only standards requiring that all infant formulas have a minimum caloric density requirement of 20 kilocalories per ounce.

Does the Department support making infant formula closer to the average caloric density of breast milk available to all babies in the WIC program, even those without medical documentation?

Response: WIC serves a nutritionally at-risk population of low-income women, infants and children. WIC regulations require all authorized infant formulas meet the definition for an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(z)) and meet the requirements for an infant formula under section 412 of the Federal Food, Drug and Cosmetic Act, as amended (21 U.S.C. 350a) and the regulations at 21 CFR parts 106 and 107. Additionally, infant formula must provide at least 10 mg iron per liter (at least 1.5 mg iron/100 kilocalories) at standard dilution and provide at least 67 kilocalories per 100 milliliters (approximately 20 kilocalories per fluid ounce) at standard dilution.

Mr. Yoder: Will the Department commit to aligning WIC regulations with the globally recognized range of caloric density, instead of the minimum caloric density requirement?

Response: The Department continues to be committed to a science-based review process for the WIC food packages. In August 2014, the Food and Nutrition Service contracted with the Institute of Medicine's (IOM) Food and Nutrition Board to begin the next comprehensive scientific review. The review will include recommendations for future improvements in the types and quantities of foods provided in the WIC food packages. The Department will use the updated scientific information it receives from the IOM to inform its next course of action with respect to the WIC food package, including infant formula requirements. The review will include several opportunities to gather professional and public input. The IOM's WIC food package review is due in 2017.

AGRICULTURAL RESEARCH SERVICE - ADMINISTRATIVE FEES AND INDIRECT COSTS

Mr. Yoder: As you know, universities play an important role in achieving ARS research objectives. Recently, however, it's come to my attention that ARS has imposed a variety of administrative assessments on its university partners, which effectively reduces funds intended for research. In fact, the 2014 Farm Bill Statement of Managers included the following language:

> The Managers are concerned about the increasing use of assessments, fees, and higher indirect costs rates imposed on its university partners by ARS. These university partners play a major role in achieving ARS research priorities and objectives. In a time of scarce budgetary resources, ARS must ensure limited research dollars are maximized and administrative costs are reduced to the fullest extent possible. In recent years, ARS has imposed a variety of administrative assessments on its university partners, effectively reducing funds intended for important research projects. The Managers expect ARS to operate within historical administrative cost parameters, namely by imposing a total indirect cost rate not exceeding four percent. All administrative assessments, fees, dues, or charges, of any type, must be included within this overall administrative cost cap. ARS must administer its programs more efficiently to ensure valuable research funds are maximized so it may continue to maintain a robust agricultural research enterprise. The Managers encourage ARS to continue university research partnerships to ensure our nation's premier educational and clinical institutions play a major role in achieving ARS and congressional research objectives.

Can you update the Subcommittee on how you plan to implement this directive, with respect both to new contracts or cooperative agreements, as well as those contracts or cooperative agreements that are currently in place?

Response: Based on historical analysis, ARS utilizes 10 percent of appropriated funding for administrative and program management-related costs, including information technology, field support staff, and headquarters staff. The 90 percent remaining is then made available to ARS research projects and is used to cover the necessary expenses to conduct the research, including cooperative agreements with our valued research partners, as well as in-house research conducted by ARS. Allocating less than 10 percent towards administration and program management creates an operational burden for ARS, as it provides insufficient funding to administer and oversee the research conducted by cooperators, universities, other ARS partners, and ARS itself.

Mr. Yoder: Does ARS intend to follow the Farm Bill directive and operate within historical administrative cost parameters, namely by imposing a total indirect cost rate not exceeding four percent?

Response: ARS has never managed the agency's national research programs with an indirect cost rate of four percent and intends to continue operating within its historic ten percent indirect cost rate for administrative and program management.

QUESTIONS SUBMITTED BY CONGRESSMAN THOMAS ROONEY

2015 DIETARY GUIDELINES

Mr. Rooney: The U.S. Department of Agriculture is working with the Department of Health and Human Services to update the 2010 dietary guidelines, which ultimately advise Americans on how healthy diets fit into their lifestyles. This process should be based on the most recent scientific information available. During the Scientific Advisory Committee's second meeting however, the focus shifted to topics outside nutrition.

Can you please clarify, what is the mission of this Committee?

Response: The charge to the 2015 Dietary Guidelines Advisory Committee is to review the *2010 Dietary Guidelines for Americans*, and determine topics for which new scientific evidence is available which may inform revisions to the current guidance or suggest new guidance. To do this, the Advisory Committee considers the nutrition and health status of Americans and places a primary emphasis on developing food-based recommendations that are of public health importance for Americans ages 2 years and older. The culmination of the Advisory Committee's work is the development and submission of a technical report to the Secretary of Health and Human Services and the Secretary of Agriculture with recommendations and rationales to be considered in developing the *2015 Dietary Guidelines for Americans*; the Committee's responsibilities do not include translating the recommendations into policy, nor do they include developing any communication and/or outreach materials or programs. The Committee disbands after its report is submitted. Following the release of the Committee's report, HHS and USDA will request comments from the public and Federal agencies on the Committee's recommendations as the Departments jointly begin developing the *2015 Dietary Guidelines for Americans*.

Mr. Rooney: What will the Committee process be moving forward? Additionally, I have heard the Committee is considering "sustainable production" as a requirement to be included in the revised guidelines. In my opinion, venturing into areas like sustainability should not be the goal of the committee.

Response: The Advisory Committee is currently undergoing an extensive, rigorous, and transparent process to review the latest scientific evidence.

The Committee is still in its review process and all work of the Committee is considered draft until the final report is submitted. During its public deliberations, the Committee has acknowledged that the core of its work is the development of food, nutrient, and health-related recommendations. To develop these recommendations, the Committee is placing a greater emphasis on dietary patterns - the overall quality of the diet as consumed in various combinations of foods and nutrients - than previous *Dietary Guidelines for Americans*, which focused more on individual foods and nutrients. The Committee is also interested in identifying "what works" at the individual and population level to help Americans make better eating and physical activity choices. A "systems approach" - that is, an appreciation of the multiple systems of influence on dietary patterns, physical activity, and health - is also reflected in the Committee's work.

The Committee identified food sustainability as one of a number of topics to be considered within the broad context of the food environment that surrounds

meeting the recommendations of the Dietary Guidelines. However, the Committee is not addressing specific agricultural policies, including those related to food sustainability, in its deliberations, as this is not within the scope of its work. The Committee is basing its recommendations on patterns of the diet that meet nutrient needs and promote health. The Committee has not discussed using sustainability as a rationale to change food-based recommendations.

The Committee is expected to deliver its technical report to the Secretary of Health and Human Services and Secretary of Agriculture this fall/winter. Once the report is submitted, it will be made available for public comment and undergo Federal agency review. Federal staff will use the Committee's report as well as public and agency comments, to develop the *2015 Dietary Guidelines for Americans*, which is expected to be published by the end of 2015.

Mr. Rooney: Do you believe a sustainability agenda has any scientific relation to a healthy diet?

Response: The Committee identified sustainability as one of a number of topics to be considered within the broad context of the food environment that surrounds meeting the recommendations of the Dietary Guidelines. The Committee is not addressing specific agricultural policies, including those related to food sustainability, in its deliberations, as this is not within the scope of its work.

Mr. Rooney: Will you ensure the scientific advisory committee sticks to their objective in providing dietary recommendations to Americans based on sound science and nutritional value?

Response: The Committee's final report of recommendations to HHS and USDA is the product of extensive, rigorous, and transparent review of the latest scientific evidence. In addition to the Committee's report helping to inform the government's development of the *2015 Dietary Guidelines for Americans* policy document, HHS and USDA also consider public and Federal agency comments submitted in response to the Committee's final report. The guidance in the policy document is based on those topics from the Committee's report with the strongest available evidence. The *2015 Dietary Guidelines for Americans* will continue with the purpose of providing recommendations for the general public designed to promote health and prevent disease, and will be based on the preponderance of current scientific and medical knowledge.

CITRUS HEALTH RESPONSE PROGRAM FUNDING

Mr. Rooney: The USDA FY15 budget includes an overall decrease to the Specialty Crop Pest program, and a reduction of $7.9 million to the Citrus Health Response Program. I understand USDA's ultimate goal is to move towards a 50/50 cost-share with programs like CHRP, and this reduction in funding would shift the federal cost-share rate from 94 percent to 78 percent.

Has USDA performed an analysis to determine the willingness or financial ability of states to increase their cost-share contributions?

Response: USDA has not done an analysis of States' ability to increase contributions. Since citrus pests and diseases have a direct impact on State and local conditions and since States and localities are beneficiaries of USDA's Citrus Health Response Program, we are attempting to balance the Federal portion of the costs of cooperative pest and disease programs that protect national, local, and industry interests. Proposing to adjust cost-share rates in advance of the budget year through the budget process gives cooperators time to build appropriate funding levels into their own budgets. The Department's budget represents our determination to find the correct balance in these responsibilities.

Mr. Rooney: In the event that states are unable to increase participation in the cost-share and overall funding for CHRP decreases, how will this negatively impact the program's functions?

Response: If States cannot increase their contributions to the Citrus Health Response program, this would decrease the program's overall funding by approximately 18 percent resulting in fewer surveys for the Asian citrus psyllid (ACP), the vector of HLB, and packing house inspections in Florida that address citrus canker and HLB.

Mr. Rooney: Can you provide a list of daily activities and long-term projects that will receive reductions in funding?

Response: A variety of activities including surveys for Asian citrus psyllid and packinghouse inspections of citrus fruit could be reduced. APHIS would work with its State and industry partners to determine how to reduce activities to minimize the impact on citrus growers.

FARM SERVICE AGENCY CLOSINGS

Mr. Rooney: The USDA FY15 budget includes closing 250 FSA county offices and decreasing about 815 staff years. Accordingly, FSA plans on reducing the more costly headquarters and state office staffs and replacing them with field delivery staff and a "Model Service Center." What is the Model Service Center approach?

Response: The Model Service Center approach provides States with a tool to develop a localized county office network plan to better serve their customers and provide greater support and professional opportunities for all FSA field employees. States will be tasked to strategically align agency resources with agency workload. This review will empower States to begin to shift local resources to County Offices where the workload is the greatest and will give Agency leadership around the nation the local flexibility to deliver programs effectively and efficiently for America's farmers and ranchers. This structure will give maximum flexibility to local leadership to develop a county office infrastructure that is tailored to local workload, customer demographics, and available human resources with a keen emphasis on its most important resources, our employees.

Mr. Rooney: Can you tell us how the Department determines which offices should close?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

Mr. Rooney: Are you conducting some type workload assessment or simply selecting offices by physical location?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

Mr. Rooney: Do you expect the agency will close offices before the end of fiscal year 2014? If so, how many offices will close and where are these offices located?

Response: No FSA office closures occurred in FY 2014. No office closure plan has been approved nor has the Agency developed a list of offices to close.

Mr. Rooney: What is your long-term plan for FSA's county office structure?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

FSA is working on a service center concept to realign workforce and invest in technology to improve customer service to FSA programs, expand options in program delivery, and serve as a referral gateway to other agricultural and rural services. The concept is intended to establish a more flexible footprint in each State to best utilize staff resources, improve outreach to new and current customers and enhance cross training of FSA employees. The centralization of program service, resulting in generally larger staffs, will provide managers with greater employee supervision and oversight, increase opportunities to train employees, and improve internal controls that ultimately will improve efficiencies in program delivery and enhance public trust in the agency.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID VALADAO

HERBICIDE-TOLERANT CROPS

Mr. Valadao: At last year's hearing, we discussed the value of getting new herbicide-tolerant crops into the hands of farmers who are struggling with weed resistance. I understand the Department has not yet deregulated products that will give farmers some additional ammunition against stubborn weeds.

Can you help me understand why it is taking so long for these helpful tools to get onto the marketplace? Are USDA and EPA efficiently coordinating the deregulation of these, and other, herbicide-tolerant crops? If so, what has changed about the process that this committee can quantify as an improvement? Knowing the answers to these questions will help the committee better understand the resource needs of APHIS-BRS.

Response: Prior to implementing our process improvements in March 2012, USDA had a backlog of 23 petitions. Our review process involves many steps, some of which previously did not have clear timeframes. The improved process outlines each step of the process and provides clear timeframes. USDA expects to complete the remaining backlogged petitions of the original 23 in FY 2016. Completion timelines will decrease as the backlog is cleared. We have instituted process improvements that reduce the variability of the process without compromising the quality of analyses that support our decisions. USDA ensures that its environmental analyses and plant pest risk documents are thoroughly analyzed and accurate and can withstand legal challenges. USDA and Environmental Protection Agency (EPA) are working efficiently to enhance coordination of regulatory reviews. In December 2012, USDA and EPA held the first of regular discussions to lay out a strategy to improve collaborations and coordination between the two agencies for the review of new uses of existing herbicides (under EPA's authorities) and genetically engineered crops resistant to those herbicides (under APHIS' authorities). The two agencies reviewed processes and identified opportunities to improve coordination that would ultimately lead to timely sharing of information and the synchronization of decisions. APHIS' improvements in its petition process will reduce the time it takes to complete its review process, even in cases where a full Environmental Impact Statement is necessary. The new timelines for products requiring an Environmental Assessment are very similar to EPA's registration timelines under the Pesticide Registration Improvement Act. As a result, the two agencies have developed joint timelines for reviews that highlight critical information sharing points and public engagement that would increase the likelihood of synchronous approvals. USDA and EPA identified opportunities to improve coordination surrounding EPA's review of the Enlist Duo herbicide. This improved coordination led to timely sharing of information and the synchronization of decisions about the herbicide. EPA and USDA also implemented this approach in our respective reviews for Dow AgroSciences' 2, 4-D (Enlist) resistant soybean and corn products, and Monsanto's dicamba resistant soybean and cotton products.

SODIUM REQUIREMENTS

Mr. Valadao: Challenges with school meals will continue as more regulations go in to effect including the sodium reduction which starts in the 2014-15 school year. We are aware of a number of recent studies on sodium -- including one by the Institute of Medicine (IOM) that found that

limiting sodium to 1,500 milligrams a day is dangerous and that there is nothing to support a 2,300 milligram level. The Department must look at all the emerging science in this area including that on the negative health implications of sodium reduction. This Committee has previously directed USDA to analyze the existing science regarding sodium reduction so can you give us an update on USDA's scientific review?

Response: USDA remains committed to applying the most up-to-date, evidence-based guidelines to all nutritional parameters set forth in the Child Nutrition Programs regulations. As required by Section 743 of the FY 2012 Agriculture Appropriations Act and as indicated in the preamble of the Nutrition Standards in the National School Lunch and School Breakfast Programs final rule (published January 2012), USDA continues to evaluate the science as it relates to studies on sodium intake and human health.

USDA has collaborated with the 2015 Dietary Guidelines for Americans Committee (DGAC) to review and analyze the most recent scientific literature evaluating the relationship between sodium intake and blood pressure among children. The DGAC Sodium Working Group, who presented their draft findings at the DGAC's fifth public meeting September 16-17, 2014, used an extensive systematic review process to critique relevant literature on this topic. As presented, the Working Group concluded that "evidence has documented that as sodium intake decreases, so does blood pressure in children, birth to 18 years of age." This conclusion statement remained unchanged from the 2010 DGAC conclusion statement.

The conclusions made by the DGAC demonstrate that science continues to support the 2010 Dietary Guidelines for Americans, the guidelines on which the National School Lunch and Breakfast Programs' sodium targets are currently based. As such, it does not appear that changes in these sodium targets are warranted at this time; however, further decisions will be made once the 2015 DGAC Final Report is published next year.

FOOD ASSISTANCE

Mr. Valadao: We are already hearing from communities in California's Central Valley that the drought is impacting economies and opportunities for work. Additionally, we have heard from the Fresno Food Bank that they have already distributed their Emergency Food Assistance Program (TEFAP) allocation for the year. With unemployment expected to spike in these areas and fewer farm generated donations as a result of the drought, what options are there for Emergency Food Assistance to the valley?

Response: USDA is providing help to California food banks through TEFAP. In FY 2014, USDA made approximately $71.8 million in food available to food banks in the State of California to help families in need. Deliveries of this critically-needed food are already underway and will continue to take place throughout this year and into the next.

As background, in FY 2014, California was offered $35.2 million in food and $6.6 million in administrative funds through TEFAP, based on the funding formula which accounts for the State's share of national poverty and unemployment. California had the option to use up to $3.52 million (10 percent) of its food funds as administrative funds. The State also had the

option to choose to spend any portion of its administrative funds as food funds.

Additionally in FY 2014, $34.9 million worth in bonus purchases made by USDA were directed to California. Bonus foods provided to California to date include dried and frozen fruit, fruit juices, cranberry sauce, applesauce, tomatoes, potatoes, salmon, and chicken. In FY 2014, California also received $1.7 million worth of ultra-high temperature milk and beef stew through the Commodity Credit Corporation Barter program.

Finally, the 2014 Farm Bill continues to provide an inflationary adjustment to TEFAP food funding each year, consistent with current statutory requirements, as well as providing additional food funding cumulatively totaling $125 million from FY 2015 through FY 2018. California will receive its fair share of these additional funds, based on the TEFAP funding formula, in FY 2015 through FY 2018.

Individuals served by Fresno Food Bank may qualify for other nutrition assistance programs, in particular the Supplemental Nutrition Assistance Program (SNAP). SNAP is our nation's primary domestic nutrition assistance program for low-income households. Eligibility for this program is based on income and other criteria. For more information on SNAP, your constituents may contact the California State Hotline at 1-877-847-3663.

FSA

Mr. Valadao: USDA uses the county office employee home county or duty station for the purpose of identifying the individuals location. An E and E press article released states that 31 offices don't have full time employment. It is unclear to me how the USDA counts full time employment. In other words, if the duty station is county X and the employee spends two days in county Y, do we have two offices that are part time coverage or does the duty station county count as full time and the other empty. I believe it is important to know this before the committee takes legislative action and the secretary starts identifying offices. Would you please elaborate on how the USDA counts full time employment?

Response: The Farm Service Agency reviews employee duty stations and employee tours of duty when determining employment in county offices. Consistent with guidelines by the Office of Personnel Management, the official worksite, and therefore the duty station is the location where the employee regularly performs his or her duties. If the employee's work involves recurring travel or the employee's work location varies on a recurring basis, the official worksite is the location where the work activities of the employee's position of record are based and in which the employee regularly performs the majority of their work. A full-time permanent employee is an employee with an appointment without time limit and on a work schedule of 80 hours per two-week pay period.

Mr. Valadao: This Committee has significantly invested in USDA's MIDAS computer program. At the same time, the Department is exploring options for streamlining crop acreage reports. When do you expect the streamlining

project will be complete and do you expect the newly designed acreage reporting program will be part of the MIDAS system?

Response: The functionality associated with MIDAS Acreage/Inventory Reporting is being revisited to more closely align with broader USDA Department-wide initiatives. New business processes to support the Acreage and Crop Reporting Streamlining Initiative (ACRSI) will be piloted in spring 2015. With the conclusion of the pilot, an alternatives analysis will be performed to determine the best approach to meet internal Acreage Reporting/Inventory Reporting (AR/IR) system requirements.

HYDRAULIC FRACKING

Mr. Valadao: The increase in domestic energy production is due to the application of two proven engineering technologies - hydraulic fracturing and horizontal drilling. Horizontal drilling and hydraulic fracturing have been used commercially since the 1940s including in US Forest Service lands which your agency oversees. Development of resources using these technologies is responsible for 2.1 million American jobs and this number is expected to rise to 3.9 million in 2025. Furthermore, tens of thousands of wells are drilled every year using the process, and we have seen over a million wells drilled in the US with no cases of groundwater contamination. Do you agree that hydraulic fracturing is critical to our economy and our national security? Do you agree that it is a proven technology and can be used safely?

Response: The Forest Service does not authorize or regulate horizontal drilling and multistage fracturing of wells. The Forest Service works closely with the Department of the Interior's Bureau of Land Management (BLM) which has a regulatory role to address these practices. The two agencies have a Memorandum of Understanding clearly delineating responsibility.

- The Forest Service is responsible for managing the impacts to surface resources while the BLM is responsible for reviewing the technical aspects of drilling and protecting subsurface resources.
- For minerals on non-federal lands the State agency that oversees oil and gas drilling has regulatory authority.

QUESTIONS SUBMITTED BY CONGRESSWOMAN ROSA DELAURO

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Ms. DeLauro: Thank you for your testimony, Secretary Vilsack. In that testimony you mention several nutrition, food safety, and farm support issues that I would like to follow up. While states scramble to fill the hunger gap created by the Farm Bill, farmers have been made whole through new crop insurance provisions. I was pleased that the Administration's budget request includes some reforms to this program. Do you expect these reforms to reduce producer enrollment in the program or the companies that offer crop insurance policies? Who receives crop insurance premiums subsidies? What percentage of crop insurance premium subsidies went to the largest 1% of agribusinesses? Can you discuss USDA projections for the cost of crop insurance in 2014 based on weather and the agriculture economy? There are too many antibiotics used in farm animals, how can we use the Environmental Quality Incentives Program (EQIP) to reduce antibiotic use on farms?

Response: Producers can use EQIP funding to implement practices that improve the quality of the physical environment for their livestock, which can reduce stress or minimize exposure to disease. For example, increasing the quality of pasture for forage, providing clean and cool drinking water, providing shelter from the elements or shade from the heat of the summer sun, providing stable and dry surfaces for animals to stand or travel on, decreasing drafts in poultry houses, etc., can all contribute to healthier livestock. Producers that are looking for opportunities to reduce antibiotic use could choose to implement these and other conservation practices on their operations. Any reduction in antibiotic use would be a secondary benefit of applied EQIP practices, not a primary objective of meeting a natural resource concern. NRCS does not provide technical or financial assistance to livestock producers regarding the specifics of antibiotic use.

EQIP's Organic Initiative provides these same environmental practices to certified organic producers and producers transitioning to organic production to help meet certification regulations regarding livestock health and use of prohibited substances. For fiscal year 2015, NRCS has initiated a process to help organic and transitioning producers meet some of the Organic System Plan requirements of the National Organic Program regarding natural resource management, including some of the same livestock practices mentioned above. Similarly, possible reductions in antibiotic use would be secondary benefits, not the primary objective of the program.

POULTRY FROM CHINA

Ms. DeLauro: On another issue both of us are familiar with - poultry from China. As you know, I am concerned about the new process to ensure ongoing equivalency verification. I worry that we are shifting to a strictly paperwork-driven process with fewer and fewer actual in-person on-site audits - and that problems will be found when we have outbreaks rather than before Americans get sick. Yes, we should have all of the information and data, but we also need an in-person presence. There are over 332,000 people, living in every state across the country who has signed petitions to ban the import of

Chinese processed chicken into the United States. We have the safest food supply in the world and we do not want to compromise that by bringing in tainted and unsafe poultry from or processed in China.

What is the status of the importation of processed poultry products from the People's Republic of China? Have any Chinese poultry processing plants been certified? What is the status of the equivalency determination for Chinese slaughter facilities? How will the Department ensure the safety of imported meat and poultry under this new system? At the recent USDA Agriculture Outlook Forum, there was a panel discussion on the Chinese food system and there was a presentation on Chinese food safety by a staffer from the Foreign Agricultural Service but no one from either USDA's Food Safety and Inspection Service or the Food and Drug Administration was on the panel. Why?

Response: On August 30, 2013, China's processed poultry inspection system was affirmed to be equivalent to that of the United States and FSIS published the processing audit report on FSIS' Web site. China has also certified four processing plants to export processed poultry products to the United States but is still working to develop the appropriate foreign inspection certificate. Because the required certificate has not yet been developed, Chinese establishments are not exporting product to the United States. In the meantime, we are discussing the date of the next on-site audit of China's poultry processing system with China.

Regarding China's poultry slaughter system, since release of the slaughter audit report in December 2013, which found the Chinese system to be not equivalent, China has proffered corrective actions, which must now be reviewed in an on-site audit. The timing of that audit has also not been set with China.

Regarding the 2014 Agriculture Outlook Forum presentation by the Foreign Agricultural Service, the presentation was focused on trade questions and geared more towards China's food safety system for imports to China than for exports to the United States. The presentation addressed China's evolving food safety regulations that pose new challenges for U.S. exporters. Reporting on those changes is a critical part of FAS' responsibilities as they work to promote exports on behalf of American agriculture.

COUNTRY OF ORIGIN LABELING

Ms. DeLauro: Will you tell us how the USDA's new rule on country of origin labeling addresses the findings of the World Trade Organization's decision in the challenge filed by Canada and Mexico about U.S. rules for labeling meat? Is there any more work to be done on the rules for country of origin labeling at this point in the WTO appeal process? Is there any direction from Congress needed by USDA on this issue at this time?

Response: The final compliance panel report is expected to be publicly released later this fall. Any appeal of the panel report would not be resolved for several months. Therefore, while the United States considers that it has brought the COOL measure into compliance with WTO rules, it would be premature to speculate on whether the WTO will find the United States not to have complied and what actions, if any, would be necessary to further modify the COOL program.

FSMA IMPLEMENTATION

Ms. DeLauro: Next, I am very supportive of the progress that the Food and Drug Administration is making in developing new food safety regulations. Food safety is an important issue for consumers and farmers alike, and new regulations will strengthen federal oversight and modernize requirements to minimize food safety outbreaks. A critical piece of ensuring a safe food supply and preventing food safety problems is helping businesses adapt to the new regulatory environment through training and education. I am, therefore, very supportive of the Department's decision to finally request funding for the Food Safety Outreach Program through the National Institute of Food and Agriculture. The aim of this program is to provide much-needed training for farmers and food businesses in new food safety requirements. Can you please discuss the resources that the Department needs in order to provide appropriate and adequate training to farmers and food businesses that will be impacted by the new Food Safety Modernization Act regulations?

Response: With additional resources of $2.5 million requested by NIFA in 2015, the outreach program will facilitate the integration of food safety standards and guidance in a variety of agricultural production systems, encompassing conventional, sustainable, organic, and conservation and environmental practices. The program will target small and medium-sized farms, beginning farmers, socially-disadvantaged farmers, small processors, and small fresh fruit and vegetable merchant wholesalers. As additional funds are made available, NIFA and FDA will work collaboratively to begin building a technical assistance component for key target audiences requiring additional assistance in implementing new food safety guidelines.

TRADE QUESTIONS

Ms. DeLauro: When negotiations were concluded completing a free trade agreement with Korea, you stated," "U.S. agricultural exports to South Korea were valued at nearly $5 billion in fiscal year 2010. This agreement will open the market even more for U.S. agriculture."

A White House fact sheet at the time claimed the Korea Free Trade Agreement would "boost beef exports…totaling $90 million annually for U.S. beef producers."

Yet, 2 years into the Korea deal, a report comparing the data to the year before the agreement went into effect found that exports to South Korea have declined, and that the agriculture sector has been hit particularly hard with average monthly exports of our agricultural products to Korea falling 41 percent under the agreement including a 39 percent decline for poultry, 34 percent decline for pork and 6 percent decline for meat. This is very troubling, particularly as Congress is now being urged to sign off on a Trans-Pacific Partnership agreement, based on the Korea model, which is being sold as great for U.S. agriculture. How do you explain the discrepancy in what was promised by the Administration and the actual results of the Korea deal?

Response: To accurately assess the impact of the U.S.-Korea Free Trade Agreement (KORUS) for U.S. exporters of beef, the dynamics of Korea's domestic production must be considered. In 2010 and into 2011, Korea experienced its worst outbreak of foot and mouth disease (FMD). Cattle and

pigs were culled and buried on affected farms and within a 500 meter radius as a preemptive measure. In response to the domestic production shortfall created by the outbreak, Korean beef imports soared. U.S. beef exports to Korea more than doubled from less than 61,000 MT to nearly 150,000 MT from FY 2009 to FY 2011. As Korean herds rebounded and domestic production resumed to normal levels, the Korean demand for imported beef fell. To more accurately assess the impact of KORUS on U.S. beef exports, a pre-FMD base of FY 2009 serves as a better point of comparison. U.S. beef exports have increased 89 percent by volume and over 190 percent by value from FY 2009 to FY 2014.

Since implementation of KORUS, in March 2012, U.S. exports of agricultural products have grown from $6.2 billion in FY 2012 to a record $6.9 billion in FY 2014. High-value consumer oriented agricultural product exports have grown most significantly, reaching a record $3.3 billion in FY 2014, a 22 percent increase over F Y2012. These products include meat, dairy, horticultural products, and processed foods.

INTERNATIONAL FOOD AID

Ms. DeLauro: The 2014 Farm Bill authorized up to $80 million per year for a new US Department of Agriculture (USDA) international food aid local and region purchase (LRP) program. Expanding local and regional purchase (LRP) of food aid allows for faster and more cost-effective delivery of U.S. food aid in circumstances where food is available closer to the places where food aid is needed. The Farm Bill's does not fund the program. How does the Administration propose to address this need since its budget did not request funding for the Farm Bill authorized LRP program?

Response: The Administration appreciates the authorization of a new LRP program in the 2014 Farm Bill. There was no time to consider the LRP program in the FY 2015 budget process as the FY 2015 budget was delivered to Congress one month after the 2014 Farm Bill was passed. The Administration is considering the next steps for the LRP program, weighing input from stakeholders and the independent evaluation of the pilot LRP program, among other issues, during the development of the FY 2016 budget request.

QUESTIONS SUBMITTED BY CONGRESSMAN SANFORD BISHOP

GEORGIA SNAP BACKLOG

Mr. Bishop: Mr. Secretary, in reading your FY15 budget justification, I was quite impressed with the Food and Nutrition Service's (FNS) bonus and incentive payment system for states that excel in managing their SNAP program - - - especially in terms of payment accuracy, error rates and program access. For example, the State of Florida received a bonus of $8 million for having the best payment accuracy in the nation; the State of South Dakota received $509,861 for having the best Case and Procedural error rate in the nation. And finally the State of Idaho received $766,398 for the best application processing timeliness rate in the nation. Clearly these states are doing something right!

Unfortunately, in the State of Georgia we now find ourselves with a SNAP applicant and recertification backlog of over 50,000 cases, which increases every day, and I doubt that we'll be winning a SNAP management bonus anytime soon.

Now I have no problem with rewarding states that do a great job managing their SNAP program. But I'm also concerned that the Department is not doing enough to strike a more equitable balance between FNS's fraud and general oversight activities, much of which is mandated by Congress, with more <u>creative</u> initiatives which provide States like Georgia a work plan to replicate the successes we see Florida and Idaho in the management of their SNAP program.

How can we better share and transfer the best practices of the best States who continually win SNAP bonuses, with those States who lag far behind?

Response: USDA's goal is to foster innovation, share and transfer knowledge and best practices in payment accuracy, timeliness, and overall administration of the program across States. FNS is committed to continuing to develop and implement new strategies with the potential to help maintain success and achieve further improvements in payment accuracy, timeliness, and overall program administration.

Additional information is provided for the record.

[The information follows:]

Some of the ways USDA share knowledge include:

- USDA provides leadership through interactions with State policy decision makers. These partnership activities, include meetings with individual State commissioners and governors; presentations at functions such as the American Public Human Services Association (APHSA), the National Conference of State Legislatures, national conferences; and sponsoring regional meetings with State commissioners and SNAP Directors.

- USDA offers guidance and technical assistance to the five State consortium participating in the National Accuracy Clearinghouse pilot, in which the purpose is to develop and test a shared data clearinghouse. The pilot received a grant as part of OMB's Partnership Fund for Program Integrity Innovation. This system, designed to

identify and prevent those found participating in one State from being certified in others, will reduce the risk of providing benefits in error. Georgia is part of this State consortium.

- USDA offers State Exchange funds. The State Exchange Program provides funds for States to travel to see where ideas for improvement have been successfully implemented and to participate in conferences where such ideas are presented, in order to facilitate benchmarking of their own certification processes and share and promote best practices to reduce errors. This would include new systems or technology, new policies or business practices and re-engineering.

- USDA facilitates the National Payment Accuracy Work Group (NPAWG), which is a group of experts from FNS headquarters and regional offices who meet frequently to monitor and evaluate payment accuracy progress, analyze error rate data, and exchange information on payment accuracy improvement strategies, in order to focus scarce technical assistance resources on States with the greatest challenges, and to identify and use the best practices available. Efforts of the work group contribute significantly to the success in payment accuracy by making timely and useful payment accuracy-related information and tools available across regions and States. NPAWG performed in-depth reviews and analysis of several State agencies to determine causes for lagging timeliness rates in processing SNAP applications. Some States were chosen because of their high performance, while others were identified as needing to improve their application processing times. Observations from the reviews were summarized into an internal report, entitled, "What's Behind the Lag", which has been used to inform the completion and distribution of technical assistance tools for State agencies.

- USDA established error prediction models that can be shared with State agencies to help identify error prone cases before they occur. USDA uses an early detection system to target States that may be experiencing a higher incidence of errors based on preliminary Quality Control data. Actions then are taken by Regional offices to address these situations in the individual States.

- USDA supports State Agency business process re-engineering. FNS has been active in support of State efforts to improve the efficiency of SNAP administration through business process improvement/re-engineering. Initiatives in States at the forefront of this effort have shown promising results including reduced administrative cost, improved client service and increased program accountability, including reductions in payment errors. This effort and the results it offers are especially important given the fiscal challenges facing State partners.

- FNS released a paper describing what States have done successfully to help other States that may be struggling to learn how to improve their application processing timeliness rates. FNS based the paper on a survey given to nine States with high application processing timeliness rates. The report used examples from the States to describe the importance and role of: leadership; managing the certification process (processing the application, interviews and verification); business process reengineering; and SNAP policies.

Mr. Bishop: It is apparent that, at least in Georgia's case, the backlog is not a sudden occurrence but a problem that has been looming for some time. And frankly, it just appears that the current application and recertification process just doesn't work.

Was the USDA aware of the inefficiencies in Georgia's SNAP management system prior to the current backlog? What, if anything, can USDA do in the short term to assist us with our current backlog?

Response: FNS regularly conducts compliance reviews of all 53 States and territories that administer SNAP. Upon learning of the backlog in question, FNS had regular, almost daily, contact with Georgia to provide technical assistance to ensure the State reduced the backlog and came into compliance with Federal regulations. After the State met the requirements to reduce its backlog in June 2014, FNS continued to monitor the State's case processing data for 90 days through weekly reports to ensure the problem was fully remedied. Georgia Department of Human Services(DHS) made great strides in reducing its backlog and continues to work toward improving the State's SNAP management system. FNS remains committed to working with Georgia to support its ongoing efforts to create efficiencies and ensure access to SNAP.

AGRICULTURE RESEARCH SERVICE

Mr. Bishop: Mr. Secretary, last year, the Department proposed to invest $155 million in the new Agriculture Research Service poultry laboratory in Athens, Georgia, which, as I understand it, was the Department's number one priority for the Agency last year. As you may know, I am the Co-Chair of the Congressional Chicken Caucus…..Georgia is the Number One producer and exporter of poultry products in the nation….
This year, the Southeast Poultry Disease Research Laboratory in Athens, GA was included in the proposed "Opportunity, Growth, and Security (OGS) Initiative, for which $197 million is requested and would include five other projects, in addition to the construction of the Athens Poultry Lab.
Can you tell us what is the current status of the Athens lab and how much was obligated for the project for the current FY14 fiscal year? Can you share with us the thinking behind the OGS Initiative, and should Congress not fully fund this initiative what will happen to the projects which were included, particularly the Athens poultry lab?

Response: The Southeast Poultry Research Laboratory (SEPRL) in Athens, Georgia, remains the number one priority ARS facility for replacement/modernization as reported in the *USDA Agricultural Research Service Capital Investment Strategy*, which was presented to Congress in April 2012. The majority of the buildings on the SEPRL campus were originally constructed in the early 1960's and the current facility lacks adequate high containment labs and animal facilities which are desperately needed to support SEPRL's research on exotic and emerging poultry diseases. In addition, consolidation of avian disease research currently conducted at the Avian Disease and Oncology Laboratory in East Lansing, Michigan, within the new facility will promote the sharing of information and ideas as well as create a single center for avian disease expertise in an effort to enhance the services already being offered by these two laboratories. In fiscal year 2014, ARS requested $155 million to fully fund the replacement of SEPRL; however, no funding was appropriated to ARS for this project. As such, no funds were available for obligation for this critical project in fiscal year 2014.

The inclusion of the SEPRL replacement and modernization project within the Opportunity, Growth, and Security (OGS) Initiative highlights the need for this high priority research infrastructure investment within ARS. In addition to the proposed Biocontainment Laboratory and Consolidated Poultry Research Facility in Athens, Georgia, the OGS includes $42.2 million for expanded investment in high priority research initiatives. In order to move forward with design and construction on the poultry facility and any expanded research initiatives, ARS will require funding from Congress.

MODERNIZATION OF POULTRY SLAUGHTER

Mr. Bishop: Modernization of Poultry Slaughter Inspection: From a strictly cost benefit basis, what are the projected savings and/or other benefits to the USDA and FSIS resulting from the promulgation of the Modernization of Poultry Inspection Rule?

Response: The final rule modernizing poultry inspection will advance the following important overall goals: improve effectiveness of poultry slaughter inspection; facilitate pathogen reduction in poultry products; provide greater compliance with sanitation and Hazard Analysis and Critical Control Points (HACCP) regulation; and make better use of taxpayer resources. If all projected establishments successfully convert and implementation goes as planned, the program will provide the following quantifiable cost savings once fully implemented:

- Approximately $31.4 million annually in net recurring cost savings to USDA/FSIS; and
- Approximately $11.4 million annually in public health benefits associated with illnesses averted.

Mr. Bishop: What does the USDA believe the benefits will be for the poultry industry as a whole? In your opinion, will the rule prove to have any benefit to the poultry workers, who would be working in facilities operating under the new rules?

Response: Once the New Poultry Inspection System (NPIS) is fully implemented, expected average benefits to the public health and USDA/FSIS are about $42.8 million annually, as estimated in the rule. Additional information is provided for the record.

A number of benefits to the industry have been identified that will make adopting NPIS worthwhile, despite the associated costs. Establishments operating under the NPIS will also have more opportunities for innovation and greater flexibility to develop and implement new technologies. Currently, if an establishment operating under the existing inspection systems wants to use new technologies for evisceration or for sorting, the establishment must work directly with the Agency to accommodate FSIS online slaughter inspection methodologies. Doing so takes time and can become an obstacle to innovation. Under the NPIS, establishments will have direct control of the sorting process within their facilities and therefore will have the flexibility to implement and assess the technologies they think are beneficial to their operations, so long as they fully comply with federal regulations.

For plant employees and workers safety, the regulation describing the NPIS now emphasizes that companies operating under the new program have an existing legal obligation to comply with OSHA's statutes. Furthermore, a new subpart in the regulations provides that each establishment that participates

in NPIS needs to submit on an annual basis an attestation to the management member of the local FSIS circuit safety committee stating that it maintains a program to monitor and document any work-related conditions of establishment workers. The elements of this program include:

1) Policies to encourage early reporting of symptoms of work-related injuries and illnesses, and assurance that the establishment has no policies or programs intended to discourage the reporting of injuries and illnesses.
2) Notification to employees of the nature and early symptoms of occupational illnesses and injuries, in a manner and language that workers can understand, including by posting in a conspicuous place or places where notices to employees are customarily posted, a copy of the FSIS / OSHA poster encouraging reporting and describing reportable signs and symptoms.
3) Monitoring on a regular and routine basis of injury and illness logs, as well as nurse or medical office logs, workers' compensation data, and any other injury or illness information available.

As outlined in the Memorandum of Understanding between USDA/FSIS and OSHA, NPIS includes a commitment to issuing an FSIS Notice which establishes a procedure for FSIS inspection personnel to notify OSHA directly of serious workplace hazards that may affect non-federal establishment personnel in meat and poultry products establishments and in egg product plants. FSIS has issued this notice which provides inspection personnel with a 1-800 number to refer an occupational safety or health concern for a plant employee directly to OSHA.

More immediately, establishments operating under the NPIS will have the flexibility to reconfigure and consolidate lines if they determine that they need more space to conduct other activities in their facilities. Because only one online inspector is required at the end of the line, establishments operating under the NPIS will not need to adjust their production based on the availability of FSIS inspection personnel to be stationed online. Establishment employees will staff the lines to perform the online sorting activities. Establishments that operate under NPIS will also have greater flexibility to vary their line speeds, within the limits prescribed by FSIS or increase production to respond to customer demands.

Follow-up

Mr. Bishop: A recent U.S. Government Accountability Office (GAO) report [More Disclosure and Data Needed to Clarify Impact of Changes to Poultry and Hog Inspections, GAO-13-775], identified major deficiencies in the data and analysis of the pilot poultry inspection program upon which Food Safety and Inspection Service (FSIS) based its proposed Modernization of Poultry Slaughter Inspection rule. GAO stated that limitations in FSIS's evaluation of its young chicken pilot project "raise questions about the validity of FSIS's conclusion that an inspection system based on the pilot project would ensure equivalent, if not better, levels of food safety and quality than currently provided at plants not in the pilot program. What is the Department's response to these concerns?

Response: GAO made two recommendations to FSIS regarding the HIMP program: 1) to disclose all data limitations used in the proposal, and 2) to collect and analyze the information necessary to determine whether the pilot

project for young hogs is meeting its purpose. FSIS is confident that the final rule addresses GAO's concerns regarding the data used. Following GAO's report in 2001, FSIS contracted with a technical review team selected by the National Alliance for Food Safety to review and evaluate the data collected from young chicken establishments operating under HIMP. Overall, the review team found that the HIMP study design and methodology were valid and provided a useful and legitimate comparison of the HIMP and non-HIMP inspection systems.

POTENTIAL ROLE OF THE DEPARTMENT OF LABOR IN POULTRY RULE

Mr. Bishop: It is my understanding that the USDA and the Department of Labor (OSHA) have had ongoing discussions regarding the proposed Slaughter Inspection rule, and in particular, potential issues with respect to worker safety.

While in the past, the Occupational Safety and Health Administration, the National Institute for Occupational Safety and Health, the Government Accountability Office and others have raised serious questions regarding working conditions for poultry plant employees, much of the "official" information regarding workers has been anecdotal and not based on reliable research or data. One clear concern is whether the new rules may or may not expose workers to greater physical risk(s) and harm, and there doesn't appear to be a process in place which provides more tangible and reliable evidence outside of the anecdotal evidence which we've all heard.

Can you share with the Subcommittee any outcomes from these discussions and if the Department of Labor will play any role in the execution of this rule, should it move forward? It seems to me that there needs to be some quantifiable and qualitative measures put in place to track the impact of the rule, on "every" segment of the industry, including employees and their safety?

Response: While USDA does not have legal authority in the area of worker health, the federal government has an obligation to ensure that any action the agency takes does not negatively impact worker safety. That is why we have been working closely with our federal partners, OSHA and NIOSH, who do have authority to oversee worker health. As a result of these efforts - and the discussion started by the poultry modernization rule - we are talking about worker health in the poultry industry in a way that we never have before. To obtain data on this matter, as outlined in the proposed rule, we asked NIOSH to evaluate the effects of increased production volume on employee health, with a focus on musculoskeletal disorders and acute traumatic injuries. NIOSH has now released a report on the effects of the increased line speed in one plant. The report's findings indicate that it is possible for plants to reformat in such a way so that employees do not have to handle birds at a faster pace. NIOSH made a number of recommendations to improve safety for workers, which USDA fully supports and has called on the industry to adopt. Additionally, through the rulemaking process, USDA has frequently met with OSHA to determine ways that the two agencies can give full force to our existing MOU. The final rule further describes the results of these collaborations such as establishing a procedure for FSIS inspection personnel to notify OSHA directly of serious workplace hazards that may affect non-federal establishment personnel.

FSA - OFFICE CLOSINGS

Mr. Bishop: Mr. Secretary, I noticed with great interest the Administration's proposal to close or consolidate some 250 offices and restructure the FSA's workforce to "more effectively leverage its human capital."

As I'm sure you're all too familiar - - - several years ago there were similar proposals made by a previous Administration in this area, who also suggested that there would be "reduced redundancies, streamlined business processes, and are reduced national footprint," all combining to potentially give FSA the capacity to deliver its programs more efficiently. In fact believe there are several members of our Subcommittee who were here when similar proposals were made.

Can you share with us what makes your proposal different from previous proposal in the past and why should the current system be modified and why should Congress support this particular proposal, when it's shown its reluctance to do so several times in the past?

Response: Statutory language from the 2008 Farm Bill requires that any offices closed first were required to be located less than 20 miles from another office and having two or fewer employees.

The Farm Service Agency has developed a data driven workload analysis that included recurring activities that the agency performs to administer farm and farm loan programs. The new programs as a result of the Agricultural Act of 2014, such as the Agricultural Risk Coverage/Price Loss Coverage, the Margin Protection Program for dairy, livestock disaster assistance, and Noninsured Crop Disaster Assistance programs were not implemented at the time FSA's workload analysis was completed. Assumptions were made on the potential workload that could be derived as the new programs are implemented. Further review of new program participation must be conducted to determine the proper distribution of staffing for states and counties. Once this review is completed, the agency will have a more comprehensive analysis on staffing distribution.

FSA is working on a service center concept to realign workforce and invest in technology to improve customer service to FSA programs, expand options in program delivery, and serve as a referral gateway to other agricultural and rural services. The concept is intended to establish a more flexible footprint in each State to best utilize staff resources, improve outreach to new and current customers and enhance cross training of FSA employees. The centralization of program service, resulting in generally larger staffs, will provide managers with greater employee supervision and oversight, increase opportunities to train employees, and improve internal controls that ultimately will improve efficiencies in program delivery and enhance public trust in the agency.

FSA's Aging Workforce: As you know on average, the FSA national workforce is aging considerably, particularly at the state level. According to some

estimates, at the national level, over 20 percent of the FSA workforce is now eligible for retirement. I'm told, however, that in the State of Georgia, upwards of 80 percent of our FSA staff is now eligible for retirement. Further, this may not be an issue which FSA faces alone within the Department.

Clearly this could become a real issue in the coming years. What, if any plans are underway, to begin to address the issue of recruitment and the training on new field staff? Hopefully, there are no plans to use attrition as a "tactical" way of consolidating offices!

Response: The Farm Service Agency provides strategic management and workforce planning guidance for use by all managers to provide a framework to examine workforce analysis results (turnover, retirement projections, competency gaps, demographics, trends, etc.). As situations vary from state to state, State Executive Directors have the flexibility to utilize that workforce data to develop succession planning and strategic recruitment and training plans that meet their specific needs for their portion of the organization. National level training is provided as needed for various programs as those programs are introduced or changed. Ongoing training for programs and administrative functions is provided through online courses and webinars and addition succession training for new employees is planned and delivered as needed within each State.

ACTIVELY ENGAGED RULES

Mr. Bishop: Mr. Secretary, I think many in Congress are very interested in the Department's development of new regulations further defining the term "active personal management" as used to make "Actively Engaged in Farming " determinations beginning in 2015. Many of the farmers in my District believe there is a misconception of exactly what a farmer is and does on a day to day basis. One of my farmers, said:

"Most farmers would actually much prefer driving a tractor rather than doing all the tasks they face every day. Unfortunately, most farmers spend much of their time coordinating with the fertilizer guy, talking to their extension agent about soil samples, getting the parts to fix the planter or harvester, meeting with the banker, working on leases with their landlord or tenants, finding the labor or doing the paperwork. Most of us wish we could get back on a tractor… that's the easy part of this job…"!

Clearly, today, farming is not just about driving a tractor. And as the Department moves forward, it will be critically important to carefully consider both the size, cropping mix and regional location of farms and the unique characteristics in developing the new definition. I believe the conference report provides some excellent guidelines for your consideration. And I hope every effort must be made to make certain that throughout this process, there is no disruption to family operations, as provided in the statute.

Your thoughts?

Response: As required by Section 1604 of the 2014 Farm Bill, USDA will promulgate regulations, with an opportunity for notice and comment, to define what constitutes a "significant contribution of active personal management" for purposes of an "actively engaged in farming" determination. In promulgating those regulations, USDA will consider the factors you mention and the guidelines provided in the statute.

TIMING OF ACTIVELY ENGAGED RULES

Mr. Bishop: When do you expect to issue proposed regulations, particularly given the many equally important and competing issues you'll have to tackle, including the implementation of disaster programs and the new PLC and ARC programs (by the end of 2014 or 2015)?

Response: At this time, proposals are still being developed.

FOREIGN AGRICULTURE SERVICE

Mr. Bishop: As you know, in June 2010, the U.S. Agency for International Development (USAID) transferred $86.3 million to the Department of Agriculture (USDA) for capacity-building activities in Afghanistan. And the OIG just recently released an audit of the Foreign Agriculture Service's management of those funds, and its program activities in Afghanistan.

That audit found that, although FAS had been aware of deficiencies in the management of its capacity building activities in Afghanistan for some time, FAS did not adequately implement corrective actions to strengthen its management and control of its activities until two years after the funds were dispersed. The audit recommended that FAS forego accepting any further USAID funds until it has fully implemented a formal monitoring process and other controls.

However, the President's budget also proposes a total of $41,714,000 for "Capacity Building and Food Security" activities in Fiscal Year 2015 and 277 staff years, an increase of 11.8 percent and 16 percent respectively over FY2013. The IG report on FAS activity has become a major issue, in part, because in fact because the program was based in Afghanistan. But I'm just as concerned about the Agency's capacity building activities in Haiti and other poor third world countries, particularly in Africa. Has the FAS undertaken a review of its management and controls in key capacity building projects around the world? How can we be assured that these issues aren't also prevalent in places like Haiti and sub-Saharan Africa?

Response: The OIG concerns were specific to the unique challenges with the large capacity building project FAS assumed in Afghanistan as part of a whole-of-government effort, and OIG did not find any instances where funds were misspent. This is because FAS has a long history of strong oversight of capacity building activities around the world, including in Haiti and Sub-Saharan Africa. These capacity building activities are independently reviewed by FAS Compliance and often by GAO as well. FAS is constantly advancing its management and controls over capacity building activities through initiatives such as the automated GRANTOR system and other signature process improvements. The particular activity OIG addresses is considered one of the successes in Afghanistan and continues under USAID to significantly improve

the capacity of Afghanistan's Ministry of Agriculture, Irrigation & Livestock to carry out its mission in support of the overall U.S. goals in Afghanistan.

BIO-BASED FOREST PRODUCTS

Mr. Bishop: My district's rural economy has a strong forest products industry and I am excited that given changes enacted in the Farm bill, it is now clear that forest products are eligible to fully participate in the USDA Biobased Label Program. . As you know, prior to the Farm bill, there was a "mature market" limitation placed on the use of certain wood products. Now that companies will be submitting applications for the program, will USDA move forward in processing them despite the regulatory "mature market" limitation, which now is outside the statute, as a result of the Farm bill."

Farm Bill Changes in Rural Programs: The 2014 Farm bill reduces authorized funding for many Title VI rural programs. For example:

- The Rural Water Circuit Rider Program is reduced from $25 million to $20 million.
- The Solid Waste Management Grant is limited to $10 million per fiscal year; previous authorization did not set a limit.
- The Household Water Well System is reduced from $10 million to $5 million.
- The Rural Cooperative Development Grant is reduced from $50 million to $40 million.
- The Rural Business Investment Program is reduced from $50 million to $20 million.
- The Distance Learning and Telemedicine Program is reduced from $100 million to $75 million.
- The Agriculture Innovation Center Demonstration Program is reduced from $6 million to $1 million.

While many of these programs have not received full appropriations in the past, they nonetheless provide essential resources which aid and support the growth of economic development in rural communities. Given the realities imposed by the authorization and other fiscal constraints, how do you envision the Department working "smarter" in the management of these programs and optimizing the dollars which go to our smallest and poorest rural communities nationwide?

Response: USDA Rural Development is placing an emphasis on targeting poverty and Community and Economic Development (CED) to work smarter and optimize rural investments. CED includes programs and initiatives that assist communities and regions to realize their long term goals of self-sustaining, long-term development through technical assistance and strategic planning. USDA Rural Development has focused on regional opportunities - through initiatives like Promise Zones, StrikeForce, and Stronger Economies Together - to leverage limited funds. Working regionally gives smaller and poorer communities an opportunity to pool limited resources with neighboring communities and successfully compete for federal funding.

RURAL TRANSPORTATION STUDY

Mr. Bishop: As you know the Farm bill mandated that the Secretaries of Agriculture and Transportation complete within 1 year an updated study on rural transportation issues, including freight transportation of agricultural products, renewable fuels, and other issues of importance to rural community economies. You've had an opportunity to visit my district, and know firsthand a number of the challenges many of my constituents face, including transportation.

And in this era of fiscal restraint, the reality is that our smallest counties and communities are typically the last in line when it comes to the allocation of transportation resources, and I'd hope this effort leads to some real changes in our approach to the needs of our smallest rural communities.

Response: USDA believes an efficient and effective transportation system is critical to the success of American agriculture. Within USDA, the Agricultural Marketing Service (AMS) serves as the expert source for economic analysis on agricultural transportation from farm to markets. AMS informs, represents, and assists agricultural shippers and government policymakers through market reports, regulatory representation, economic analysis, transportation disruption reports, technical assistance, and outreach to stakeholders. AMS does not, however, have regulatory authority over transportation issues. Under the Agricultural Adjustment Act of 1938 and the Agricultural Marketing Act of 1946, the Secretary of Agriculture is charged with the responsibility to represent the interests of agricultural producers and shippers in improving transportation services and facilities by, among other things, initiating and participating in U.S. Surface Transportation Board (STB) proceedings involving rates, charges, tariffs, practices, and services. STB - an independent adjudicatory agency that is administratively affiliated with the Department of Transportation - is the regulatory agency that Congress charged with resolving railroad rate and service disputes and reviewing proposed railroad mergers.

The 2014 Farm Bill mandated that USDA and the Department of Transportation complete an updated study on rural transportation issues, including freight transportation of agricultural products, renewable fuels, and other issues of importance to the economies of rural communities. AMS is responsible for completing the update.

The previous study found that transportation needs to be viewed from a system standpoint, but the current governance oversaw each mode of transportation—trucks, railroads, barges, and ocean vessels—separately and disparately rather than as a single interlocking system of transportation.

The study identified some policy issues that should be examined, such as: ocean shipping and railroads were exempt from many antitrust rules. These exemptions had the potential to decrease competition, reduce service, and raise rates. The rapid consolidation of the railroad industry through mergers had resulted in a decrease in the unrestricted interchange of traffic, routing choices, and the level of competition among railroads. Shippers were concerned with switching limitations, restricted interchange, paper barriers, inconsistent service, high rates, excessive fuel surcharges, bottleneck rates, and the effectiveness of the rate challenge process. Funding for new

waterway projects was nearly depleted, and there is a growing funding gap to finance ongoing projects.

The U.S. agricultural supply chain is a major user of the nation's transportation system, so its needs, especially in rural areas, should be taken into account in the planning and oversight of transportation in the United States.

With the current study, AMS has entered into a cooperative agreement with Washington State University to assist with development of the study update. The study team has been assembled and work on the update has already begun. The previous study can be found online at: Study of Rural Transportation Issues: Published in April 2010. It comprised 15 chapters, including the importance of freight transportation to agriculture, how freight transportation supports rural America, as well as modal chapters on rail, barge, truck, and ocean shipping.

PUBLIC PRIVATE INNOVATION

Mr. Bishop: The proposed FY 2015 budget includes an increase of $75 million for three new public-private innovation institutes ($25 million each). The institutes are expected to engage industry, leverage funding, and facilitate technology transfer. For example, one will build a National Network for Manufacturing Innovation focused on bio-manufacturing and bioproducts development. Another will focus on pollination and pollinator health. And the third will focus on anti-microbial resistance research (AMR) by supporting the generation of evidence-based data to address known and emerging information gaps in mitigating AMR.

Coming from a region of the nation whose manufacturing base has been decimated, I am particularly interested in your proposed manufacturing initiative. Can you explain the vision behind this proposal, how these institutes will work, where will they be located, and any related information?

Response: The President's Budget request for FY 2015 included $75 million for NIFA to establish three innovation institutes. The institutes will be virtual organizations that include multiple partners from academia, the private sector, Federal labs, and others. These public-private partnerships will take advantage of USDA's unique intramural laboratory assets, and provide financial leverage through funds administered by NIFA that would remain available until expended (no-year funds), to allow the fullest flexibility in determining the best use of the funds.

Of note, one institute will focus on the building of a National Network for Manufacturing Innovation (NNMI), consisting of regional hubs that will accelerate development and adoption of cutting-edge manufacturing technologies, focused on bio-based product development and manufacturing.

The NNMI, focused on bio-manufacturing and bioproducts development, will:

• Establish processes and chemical platforms leading to high-value intermediate and end-use products.

• Support commercialization of products developed from basic and applied research.

• Build domestic capability for ongoing bio-manufacturing and bio-products development.

Basic and applied research on bio-products and bio-energy supported in partnerships with the private industry will help fill the gap in current research efforts.

The Institute will be designed to address the challenge identified by PCAST: Managing the production of bioenergy (bio-refining and biobased products). Funded projects will achieve short term economic benefits, while building a strong foundation for future basic research. NIFA will consult with other Federal partners including DOE to ensure the NNMI is designed to complement existing efforts.

RURAL BROADBAND - FCC AND USDA/RUS ROLES

Mr. Bishop: As you know, the Farm bill created a new Rural Gigabit Network Pilot Program, which provides $10 million per fiscal year for ultra-high-speed Internet service in rural areas. While its geographic scope will be very small out of necessity, the pilot program will elicit new data on the need for, and the economic effect of, ultra-high-speed Internet technologies in rural settings. However, the RUS and FCC, through their e-rate program, will continue to be the major drivers of broadband development in rural areas communities.

I'm concerned, however, that there may be a communication disconnect between local broadband service providers, the communities they serve and the Federal agencies administering these various programs - - namely the RUS and the FCC. Each agency has different rules and procedures for their funding sources, and for small rural communities with little or no staff or familiarity with how these programs are supposed to operate, many are just lost in a sea of procedural issues and regulations.

Before we start new programs like the Rural Gigabit Network Pilot program, we may be better off figuring out how effective our existing programs are in meeting the broadband needs of rural America. From my vantage point, frankly may not be doing as good a job as these communities deserve!

What are your thoughts on this and can we get the FCC and RUS together, working in one accord with our Communities?

Response: USDA has been proactive in improving the level and quality of communications with our colleagues at the FCC by strengthening our relationship to ensure that rural interests are considered in decision-making related to broadband deployment in rural areas. In June 2014 I met with FCC Chairman, Tom Wheeler, to bring attention to concerns of the agency and our borrowers. This meeting was a continuation of discussions held amongst senior USDA and FCC leaders in 2013. In addition, former RUS Administrator

established regular and recurring dialogue with the FCC on critical issues. Under my leadership and the RUS Administrator, communications with the FCC at the executive and staff levels has increased. The agencies recently entered into an MOU that allows for the sharing of information in a confidential manner. The FCC also participated with RUS at a conference for consulting engineers that serve the RUS constituents to explain their Broadband Experiments. We look forward to growing the relationship in the year ahead as we continue to work toward a common goal of deployment of affordable, high speed internet across rural America.

STRIKEFORCE

Mr. Bishop: Mr. Secretary, last year, you and I discussed what I think is one of the most creative initiatives undertaken under your tenure at the Department, the StrikeForce Initiative.

The "StrikeForce" initiative, introduced in 2010, is just one of the tools the USDA uses to combat poverty by connecting local and state governments and community organizations on projects that promote economic development and job creation. Several counties in my district have been targeted to participate in the StrikeForce initiative, and have been viewed as a refreshing and creative approach by the Department, to reach out to communities who have in the past, not benefited fully from the Department's programs and resources. Mr. Secretary, you can give us an update on where the program stands today, key accomplishments and your vision for the future.

Response: Since 2010, through the StrikeForce for Rural Growth and Opportunity Initiative, USDA has partnered with more than 400 community organizations, businesses, foundations, universities and other groups to support greater than 80,300 projects and ushered more than $9.7 billion in investment in rural America. Because of StrikeForce efforts, USDA is improving access to capital, markets, healthy, affordable foods, electricity, broadband and water, increasing homeownership opportunities, and overall, improving the quality of life for rural families in areas of persistent poverty.

For example, in Alabama, Arkansas, and Mississippi, members of farmers' agricultural cooperatives are now providing locally grown peas, greens and watermelons to national grocery chains for sale in selected stores. They have received direct and indirect assistance from USDA, as well as support from their 1890s land-grant universities.

Also in Arkansas, our partnership with the Arkansas Delta Seeds of Change Coalition of 40 different organizations helped to create five new farmers markets in southeast Arkansas and the first summer feeding program using locally grown produce (in Forrest City). They are now seeking to expand farm to school opportunities in multiple school districts.

In New Mexico, USDA finalized 75 home loans and grants to families living in the Colonias communities of Luna, Hidalgo, and Dona Ana counties along the U.S./Mexico border in 2013 - a 30 percent increase from the 2012 fiscal year.

In South Dakota, USDA helped to create the South Dakota Indian Business Alliance and the South Dakota Native Homeownership Coalition with the Governor's office, other Federal agencies and - private funding. In the

poorest county in the country, the Crow Creek Sioux Tribe just began work with another organization to assist with rural housing loan applications to increase the success in improving houses on the reservation.

StrikeForce now operates in almost 800 rural counties, parishes, boroughs, tribal reservations and Colonias in 20 States. Because of the success of StrikeForce in these States, numerous States are requesting to be included as official StrikeForce states. At their requests, StrikeForce State Coordinators are providing briefings and materials that explain the approach of the initiative. We will consider adding new States, as has happened every year since inception in 2010.

OUTREACH AND ASSISTANCE PROGRAM FOR SOCIALLY DISADVANTAGED AND VETERAN FARMERS (OAFSDVFR) (2501)

Mr. Bishop: The Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers (OASDVFR) Program helps historically underserved producers gain access to USDA's credit, commodity, conservation and other programs. Under this program, community-based organizations, tribes and educational institutions with demonstrated experience in serving the nation's diverse farmers, provide them with training in farm management, production, marketing and other key assistance critical to accessing USDA programs and managing viable farm operations.

The work of these outreach programs is especially important in the years following the Farm Bill in order to assure that all farmers in the US and especially diverse producers, have real access to the programs. The program received no funds for FY 2013 while the Farm Bill was being debated. In the 2014 Farm Bill, the program was expanded to include Veteran Farmers and Ranchers, while mandatory funding for the program was cut from $75 million over 4 years to $50 million over 5 years, an almost 50% reduction with now greater needs.

Many of the groups that were previously funded have expended all of their funds and have been forced to lay off experienced and trained staff at this critical point in the farming season. What is USDA doing to maintain the capability for outreach in partnership with community based groups in light of a year of no funding and now reduced funding in this program?

Response: The 2014 Farm Bill reauthorized $10 million for the Outreach and Assistance Program for Socially Disadvantaged and Veteran Farmers and Ranchers ("2501 Program") for FY 2014. As a result, USDA funded 62 projects totaling $9.7 million (not including administrative fees) to continue to fund outreach and technical assistance efforts by our partners, including community-based and nonprofit organizations. The OAO received over 200 applications totaling approximately $51 million. This reflects the critical need for the program and a very competitive environment for program awards.

The OAO understands the dilemma facing these small, limited-resource organizations and values the vital role they play in the economic development of rural America. So, with the goal of funding as many projects as possible, most projects were reduced by at least 50 percent. This reduction is in line

with the 50 percent reduction in appropriations for the 2501 Program under the 2014 Farm Bill, from $20 million in mandatory funding to $10 million.

Although funding for the 2501 Program was not available in FY 2013 because of the absence of an approved Farm Bill, the OAO sponsored grant-writing workshops to assist organizations in being more competitive for other grant programs offered both within and outside of USDA. These workshops were also an opportunity to assist unsuccessful applicants in strengthening their future submissions. In addition, the OAO hosted several bi-monthly and quarterly teleconferences to stay connected with these organizations and to provide information about other funding opportunities and upcoming USDA events.

Mr. Bishop: The 2014 Farm Bill provided only $10 million in mandatory funds, with an option for additional appropriated funds of up to $20 million more per year. What level of resources will be necessary to maintain the current work of USDA with socially disadvantaged farmers and ranchers under this program, as well as meet the increased need to serve veteran farmers and ranchers?

Response: During the FY 2014 funding cycle, the OAO received over 200 applications for funding under the 2501 Program. The full authorization of $20 million plus an additional $15 million for a total of $35 million are needed to address the critical needs of small, limited resource, socially disadvantaged and veteran farmers and ranchers and to establish the recently mandated Socially Disadvantaged Policy Research Center.

Mr. Bishop: Have the mandatory funds provided in the Farm Bill for FY 2014 been made available so the Office of Advocacy and Outreach can release a Notice of Funds Available? When do you expect the application and review process to begin?

Response: Funding Opportunity Announcement was published in the Federal Register on July 24, 2014. The deadline for receipt of applications was August 27, 2014. The Department received over 200 applications and approved 62 projects from organizations representing 36 states. All successful projects were funded during FY 2014.

Mr. Bishop: What level of funding is necessary for the Office of Advocacy and Outreach to carry out its essential functions, including and in addition to managing the 2501 Program?

Response: What is needed are funds sufficient to: (1) establish the recently mandated Socially Disadvantaged Policy Research Center; (2) establish the Community Engagement and Accountability program mandated by the 2008 and 2014 Farm Bills; (3) expand services to specifically include veterans, who were not included until the 2014 Farm Bill; (4) enrich the OAO's outreach, technical assistance and training to minority-serving institutions; (5) improve and increase the OAO's outreach, technical

assistance and training to new, beginning, and socially disadvantaged farmers and ranchers; (6) enhance the OAO's capacity to advocate for underserved constituents and provide an avenue for them to have input into programmatic and policy decisions at USDA; and (7) provide full mandatory funding of the 2501 Program, along with an option for additional funds needed to meet the critical needs of small, limited resource, socially disadvantaged and veteran farmers and ranchers. The level of funding necessary to carry out the OAO essential functions including and in addition to managing the 2501 Program is $40 million for each fiscal year 2014 - 2018.

STRIKEFORCE INITIATIVE

Mr. Bishop How critical is funding of the Office of Advocacy and Outreach and the funding of the Outreach and Assistance Program for Socially Disadvantaged and Veteran Farmers and Ranchers to the USDA StrikeForce Initiative, as well as to filling the gaps related to the consolidation of USDA offices?

Response: The mission of the OAO is to improve access to USDA programs and enhance the viability and profitability of veteran, small, beginning, and socially disadvantaged farmers and ranchers, and to promote and assist in the development and sustainability of rural communities. It serves as the lead office for all outreach activities at USDA. All outreach efforts by USDA are impacted by the funding of the OAO and the 2501 Program, including StrikeForce.

The OAO partners with higher education institutions and community-based and non-profit organizations as an extension of USDA to provide vital outreach efforts. The OAO disseminates information about various USDA opportunities, specifically to those in socially disadvantaged, impoverished, and persistent poverty communities. The OAO also shares information about appeal procedures to ensure equal treatment in participating in USDA's programs and services. The OAO also meets with underserved communities, community leaders, and representatives of groups that may have been excluded from participating historically in USDA programs. The OAO also advocates for socially disadvantaged and veteran farmers and ranchers to ensure equal treatment across all USDA programs.

Activities supported by the 2501 Program provide critical assistance and training to veteran and socially disadvantaged farmer and rancher communities, and lead to increased ownership and operation of farms and ranches, and increased equitable participation in USDA programs. Participants in these activities, our "customers," receive technical assistance and training in high-tunnel hoop house cultivation, cut-flowers and specialty crop production, and fish farming alternatives, among other enterprise activities. They also receive critical property and business transition planning assistance, legal assistance, and technical assistance in applying to USDA programs.

Funding for the OAO is also critical to filling the gaps related to the consolidation of USDA offices. The staff's effectiveness in the delivery of services is enhanced by its close engagement and partnership with community-based organizations in those counties. In effect, the community-based organizations in those counties are an extension of USDA.

RECEIPT FOR SERVICE

Mr. Bishop: What are the plans of the Department to implement Farm Bill Language requiring a receipt for service for all producers who receive service at USDA offices?

Response: The Department has been diligently working on its plans for issuing a "receipt for service" for producers and others who receive services from USDA. The "receipt for service" requirement will apply to many actions taken by Natural Resource Conservation Service, Rural Development, and Farm Service Agency personnel. Plans are underway to implement phase one of this requirement prior to December 1, 2014.

As feedback is received from USDA's stakeholders and partners, USDA will explore possible adjustments to ensure that the 2014 Farm Bill's "receipt for service" requirement is fully implemented. Phase two will be implemented based upon that feedback. The OAO will play a key role in the community engagement necessitated by this requirement.

TUESDAY, MARCH 25, 2014.

U.S. DEPARTMENT OF AGRICULTURE

WITNESSES

KEVIN CONCANNON, UNDER SECRETARY, FOOD, NUTRITION, AND CONSUMER SERVICES, DEPARTMENT OF AGRICULTURE

AUDREY ROWE, ADMINISTRATOR, FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE

MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

INTRODUCTION OF WITNESSES

Mr. ADERHOLT. Well, good morning. The Subcommittee will come to order.

I want to welcome everyone to today's hearing, and this morning we will be examining USDA's Food Nutrition and Consumer Services mission area.

Our witness today is Under Secretary Kevin Concannon, is also joined by Ms. Audrey Rowe, Administrator for the Food and Nutrition Service, and Mr. Michael Young, Budget Officer at USDA.

OPENING STATEMENT—MR. ADERHOLT

Mr. Concannon, I welcome you today, glad you could join us. I know last year the decision was made by the administration for you not to testify at this hearing, so we are glad you could be here today.

One of my goals for this Subcommittee is to conduct robust oversight of USDA's programs, and I am sure we will cover a great deal of oversight as we discuss the issues today. It is critical that we review USDA's nutrition program since the mission area accounts for 78 percent of the total resources in the Agriculture Appropriations Bill. Your request for fiscal year 2015 is approximately $112 billion. That is a nearly $3.5 billion increase above fiscal year 2014.

The Supplemental Nutrition Assistance Program, which is commonly known as SNAP, is USDA's largest program, that serves an average of 47 million people per month, with a program level of $82 billion. I know the Administration likes to stress the lower error rates in the program, but I think it is important to put the error rate percentage into dollars. With a 3.4 percent error rate, it totals as $2.6 billion in improper payments. For comparison, the crop insurance program has an improper payment rate of 5.2 percent for a total of $566 million. But be that as it may, errors are errors in any program, and whether it is the SNAP or crop insurance, the Subcommittee wants to be vigilant in ensuring that USDA reduces the improper payments so as to protect hard earned tax dollars.

The recently enacted Farm Bill made changes to SNAP and reduces spending in the program for the first time in nearly 20 years. The Farm Bill sought to close the loophole between the Low Income Home Energy Assistance Program, which is commonly known as LIHEAP and also SNAP. It has been reported that some States have been gaming the system by providing some households with as little as $1 or $0.10 in LIHEAP assistance in order to increase the SNAP benefits. The Farm Bill included a provision to address this abuse. However, at least seven States have announced their intent to continue providing some households with token LIHEAP payments in order to keep SNAP benefits at artificially high levels.

We all know this was not the intent of Congress, which was a bipartisan majority in both houses, and the Senate too voted to close this loophole. Mr. Concannon, I call upon you and your counterparts at the Department of Health and Human Services to ensure that Congressional intent is followed. One federal program should not be manipulated in order to get more Federal dollars from another Federal program.

For the child nutrition program, the President's budget projected the total funding needs will approach $20.5 billion in fiscal year 2015. USDA has issued new school meal regulations as directed by the Healthy, Hunger-Free Kids Act of 2010, and more proposed rules are under way.

My second goal for the year is to ensure that the appropriate level of regulation, and I quite honestly fear that many of the school meal regulations are overly burdensome. I continue to hear from schools in Alabama, and quite honestly, in other parts of the country, that new regulations have increased program cost, they have increased food waste and decreased lunch participation which leads to lower revenue for local schools. I know USDA claims that over 90 percent of schools are in compliance with the nutrition standards for the National School Lunch Program but it does not mean that it is easy for schools to operate and keep operating in the black. Schools may be in compliance, but they are still struggling. With the 2014–2015 school year just around the corner, schools will have to comply with the new standards for school breakfast and also snack foods.

As you know, I included language in the fiscal year 2014 Omnibus directing the USDA to establish a waiver program to serve as a way to delay and to give more time for schools that are finding implementation of the breakfast and competitive foods regulation too costly and cumbersome. When Secretary Vilsack testified here back on March the 14th, he said he would be unable to implement that directive. I told Secretary Vilsack at that time that if the Administration wanted to be helpful and delay implementing the rules, I believe that they could find some way to try to do that. The logistical and financial challenges facing school cafeterias is not going away.

In honor of National Nutrition Month, I would also continue listening to my schools to see how I can be helpful, and I hope USDA will also listen to the growing number of schools seeking the flexibility and regulatory relief. The Special Supplemental Nutrition Program for Women, Infants and Children, commonly know as WIC, accounts for the single largest discretionary program in the

Bill. The fiscal year 2015 request is at $6.8 billion and is approximately $107 million more than what was provided in the fiscal year 2014 Omnibus. I am pleased that the administration used realistic participation rates in submitting the request. WIC has maintained a fairly high level of bipartisan support, and my third goal is to ensure sufficient funding is targeted to vital programs.

As WIC continues to consume a large share of the smaller discretionary budget, we need to ensure sufficient oversight at the Federal level as eligibility for the program has expanded. States need to be monitored more carefully in their efforts to manage the program, and incidence of fraud must be prevented. I would like to also note today is National Agriculture Day which goes hand in hand with nutrition. Without America's farmers and ranchers, none of us would enjoy the nutrition bounty that we are blessed with in this country.

Before I recognize Mr. Concannon for his opening statement, I would like to recognize the Ranking Member of our Subcommittee Mr. Farr from California for any opening remarks that he may have.

OPENING STATEMENT—MR. FARR

Mr. FARR. Well, thank you very much, Mr. Chairman, and I share with you the recognition of National Agriculture Day and Nutrition Month, and I am very pleased that you are here.

I got my public involvement start during the war on poverty. I came out of the Peace Corps and worked on the war on poverty, and that is essentially where all these services we are talking about today began. In fact, as I recall, and your testimony pointed out that it was in 1969 when President Nixon convened the White House Conference on Hunger and established the National Food Service, and it was Senator Dole who went on with McGovern to expand this food stamp and the WIC programs in the 1970s.

It is now, I think, interesting that we have not won that war on poverty even though we are celebrating 50 years of it. We find that a lot of Americans are still in deep poverty and rely on food, obviously, to sustain them. And you pointed out that we are now feeding 20 percent of America, 20 percent of the population.

I, too, believe in oversight, but I think it is in a different approach. It is not just the cost of everything, it is the benefit, and one of the things that I found, because I have really been involved with the school nutrition programs and the school lunch programs, one is that we have created, I think, too many silos. Ms. Audrey Rowe pointed out that she is responsible for I think 15 nutrition programs. It seems to me that we really ought to just have two. We ought to have a community nutrition program, which would be WIC and TEFAP and things like that, and we ought to have school nutrition, which would be all the others and administer under them two silos rather than 15 different silos and get a better bang for our buck administratively.

But what I would also hope that you might point out is, in this error rate that the Chairman talked about, that how much of that error rate is because we have so much regulation. If you have a lot of regulation, it is easy to commit errors, and if we are going to compare apples with oranges, with crop insurance or with military

contract spending or things like that where there are huge—where the regulations aren't that tight, it is not that hard, you don't have as many errors. So is there stuff we could do to improve our regulation so that the error rate wouldn't be—I mean, there is just some dumb requirements out there that would cause errors to happen, and we ought to be able to clean that up.

And then lastly, I think you are the first responders to American's healthcare. If we don't feed our children properly, they are going to grow up to be unhealthy adults. We know that, and it is hugely expensive. It seems to me that the real war in America is to convince our modern culture that has grown up on the fast food deliveries—nothing wrong with that—it is just the content of that fast food is not very nutritious, and we have let it take over our schools and vending machines and the way we sell food. I hope that as we move forward, and the Chairman—I go to schools all the time, but I hear a different message.

Some schools are saying we like the old system because it is easy, pizza is a lot easier than a salad bar. But I hear the parents saying, I hope you politicians will listen to the food science, nutrition science, rather than to the fast food vendors. I know you are under a lot of pressure, and perhaps in your testimony you can point out what we are doing to clean up and change the attitude of Americans, that we need to feed our kids fresh food.

And lastly, on the WIC program and particularly the SNAP program. I mean, I think most of us in Congress look at those big numbers and get shocked at how big they are. But when you go back to your main street in your town, and I ask this for the WIC.

I mean, the WIC Administrator has been in front of me—as a supervisor and a State legislator all the time, and I finally asked her, well, how much is the WIC program in Monterey county? She said $15 million. I said $15 million, that is a lot of money in our county. I said have you ever gone down and told the Chamber of Commerce that you are a $15 million business in our county—are you a member of the Chamber? The WIC Administrator said, no, I never even thought about that. I said, well, all that $15 million is being spent in this town, and I think the merchants who are receiving those payments are probably pretty keen on this program, and we ought to get them to be supportive of the fact that the monies we are talking about today really are spent on Main Street rather than Wall Street, so I look forward to your testimony.

Mr. ADERHOLT. Thank you, Mr. Farr.

Just as a note, if anybody has got any electronic devices, if you could put those on silent or turn those off for our proceedings here.

I now want to turn it over to you, Mr. Concannon. Without objection, your entire written testimony will be included in the record, and following your oral statement, we will proceed with the questions. So, we recognize you and welcome to the Committee.

OPENING STATEMENT—MR. CONCANNON

Mr. CONCANNON. Thank you, Mr. Chairman, and members of the Committee for the opportunity to present the 2015 FNCS budget request, and joining me, as noted is FNS Administrator Audrey Rowe.

Let me turn first to the school meals improvements now under way. Today, over 90 percent of schools report they are meeting updated standards, and a recent study suggests updated meal patterns are improving fruit and vegetable consumption without greater plate waste. That said, we know that many schools are still in transition mode. We want the public to know that the USDA is still in listening mode as well.

Upon hearing concerns as expressed by the Chair when the Secretary was here earlier, we talked to both the state of Alabama and school districts within the Member's district to make sure that we are hearing from them, concerns that they were experiencing in terms of implementing the meal program. We know that these are significant changes. If they were not significant, we wouldn't be meeting our responsibilities to the American public.

We are in the midst of a major public health crisis in this country in terms of problems of obesity and children so seriously overweight. So we know it is a challenge, we are very committed, we continue to work with schools. But clearly there is more to be done. There are phase in requirements for breakfast this school year as well as the smart snacks standards, and as our track record on school lunch shows, we are good listeners and we will provide flexibility where it is needed and available, under the law.

When the concerns about grains and proteins emerged last year, we listened and changed and responded. That flexibility was made permanent in January. We are working to help States and schools prepare for the smart snacks requirement. We know these changes are achievable because 39 States already have some type of smart snacks requirement in place even before the smart snacks rule kicks in in July of this year.

They have a full year's lead time leading up to this. There is more that we can do and will do to help them get ready. We recently partnered with the Alliance for a Healthier Generation on a nutrition calculator that schools can use to quickly determine if a particular product meets smart snack standards.

Let me close this topic with an impressive number. Zero. That is the number of reports we have received of schools who have had reimbursements withheld because of the updated nutrition standards. I believe this shows clearly that we in the States are listening to the concerns of schools and helping them work through this transition.

We meet today as the economy is recovering. December 2013 data show that SNAP roles, are lower in more than 80 percent of States and Territories than in September, but we know that millions of Americans have not yet benefitted from the recovery. Nutrition assistance remains vitally important, and the President's budget fully funds the major programs to meet anticipated need.

These programs have long been a bipartisan effort. President Johnson may have launched the war on poverty, but President Nixon convened the White House Conference on Hunger and established the Food and Nutrition Service. Members of Congress from both parties have long championed these programs, most recently in the Agricultural Act of 2014. Even as we debate the proper role of government, we should recognize the successes of nutrition assistance.

The Supplemental Nutrition Assistance Program—SNAP—fights poverty as it reduces food insecurity. In 2012, SNAP lifted 4.7 million Americans, including over 2 million children, out of poverty, and it supports work. Half of SNAP households with children have job produced earnings. School meals improved children's diets, and the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children—WIC—leads to better pregnancy outcomes and saves money in healthcare costs. We pledge to build on these important results and focus on program integrity to retain the public's trust.

In 2012, USDA and our State partners achieved another record high SNAP payment accuracy rate, 96.58 percent. Over the last 15 years, trafficking the sale of benefits for cash has dropped from 4 percent down to about 1.3 percent, and stronger penalties are in the works to deter this crime. And we in the States are fighting recipient fraud. In 2012, States conducted nearly 730,000 investigations, disqualified over 42,000 individuals and collected over $74 million in fraud claims.

Our new joint venture with the OIG and law enforcement will prosecute and prevent SNAP fraud among retailers and recipients. Improper payments in school meals are a serious but a very complex issue as well, and we cannot compromise access for families or unduly burden schools.

USDA has clarified District's ability to verify applications for cause, we continue to promote direct certification aggressively, and we are improving oversight with an accelerated streamline review process.

Lastly, we are creating a unit focused on WIC integrity and are developing new analytic tools to enhance vendor monitoring. We will continue to fight error and abuse, to keep the program strong for those who truly need them.

And I look forward to your questions.

[The information follows:]

FOOD, NUTRITION, AND CONSUMER SERVICES

Statement of Kevin Concannon, Under Secretary for
Food, Nutrition, and Consumer Services
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

Thank you, Mr. Chairman, and members of the Subcommittee for the opportunity to present the Administration's fiscal year 2015 budget request for USDA's Food, Nutrition, and Consumer Services (FNCS). Joining me is Audrey Rowe, the Administrator of the Food and Nutrition Service (FNS).

I'm pleased to join you at a time when the economy is recovering to the benefit of more and more Americans. The official unemployment rate has been at 7.5 percent or below for the past twelve months, and has been under seven percent since December. It also appears that these economic improvements are helping to slow and indeed reverse the trend of rising participation in the Supplemental Nutrition Assistance Program. Data from December 2013 shows that that the SNAP rolls were lower in more than 80 percent of the States and Territories that operate the program as compared to September 2013. The Federal nutrition assistance programs have helped millions of Americans meet their nutritional needs during tough economic times. While the economic recovery has not yet reached every American, there are encouraging signs.

I am also mindful that we are meeting during the fiftieth anniversary year of the War on Poverty. As you know, President Johnson worked together with the Congress to launch a range of strong safety net programs that remain an important part of our country's social compact. It is important to remember that the establishment and sustenance of the Federal nutrition assistance programs represents bipartisan effort. It was President Nixon who convened the 1969 White House Conference on Hunger, and established the Food and Nutrition Service at USDA.

Senators Robert Dole and George McGovern, along with others from both parties, fought for the expansion of the food stamp and WIC programs in the 1970's. And the commitment to these programs has endured and grown under bipartisan leadership from both ends of Pennsylvania Avenue, as is evident in the passage of the Agricultural Act of 2014 (2014 Farm Bill).

We're making good progress on the economic front, but despite the many people who have benefited from the recovery, there remain millions of American families in need. The nutrition assistance programs remain vitally important to help these struggling families put food on the table, and the President's 2015 budget request fully supports the ability of the major programs to meet anticipated needs.

Let us pause and look at the accomplishments of the nutrition assistance programs. The evidence is clear that:

- SNAP lifts millions of people out of poverty. The cornerstone of the nutrition safety net, SNAP kept 4.7 million Americans – including 2.2 million children – out of poverty, according to the Census Bureau. The Supplemental Poverty Measure, based on recommendations from the National Academy of Sciences, includes SNAP and other benefits in income, and shows that SNAP reduced child poverty by 3 percentage points in 2012—the largest child poverty impact of any safety net program other than refundable tax credits. SNAP administrative data suggests that its anti-poverty effect is even greater.

- SNAP is effective in its mission to mitigate the effects of poverty on food insecurity. A recent USDA study found that participating in SNAP for six months is associated with a significant decrease in food insecurity.

- SNAP supports work. Today, half of SNAP households that contain children have earnings. This includes 41 percent of female-headed, single-parent households, and 70 percent of married-couple households receiving SNAP. This reflects a dramatic transformation over the past 20 years. In 1992, 40 percent of all SNAP households received cash welfare and only 20 percent had earnings. In 2012, only seven percent received cash welfare, while 31 percent

had earnings. As most of you are aware, SNAP requires able-bodied adults to register for work, allows a deduction for earned income so that households are financially better off if they secure employment, and provides employment and training services to help participants prepare for and get jobs. In addition, a 2013 National Bureau of Economic Research report found that access to SNAP in early childhood led to an increase in economic self-sufficiency among adult women. The recently-enacted 2014 Farm Bill also provided additional funding to test new employment and training strategies in up to 10 States, to further improve outcomes for SNAP households.

- School meals give children the nutrition they need to develop and grow. The vast majority of children eating school lunches and breakfasts are receiving meals that meet or exceed the dietary standards for fat, cholesterol, protein, vitamins A and C, calcium, and iron. Lunches consumed by program participants are more nutrient-dense than those consumed by nonparticipating children, and school lunch participants have higher intakes of milk, meat, and beans. Among low-income children, school lunch participants have higher levels of fruit consumption. The presence of a School Breakfast Program means that low-income students are more likely to start their school day with a substantial breakfast, ready to learn. I am pleased to report that the average number of students eating a school breakfast each day has increased by almost 25 percent, from 10.6 million in 2008 to 13.2 million in 2013.

- Participation in WIC leads to better pregnancy outcomes—fewer infant deaths, fewer premature births, and increased birth weights—and saves money. Infants born to women who received 5 – 7 months of postpartum benefits had higher average birthweights and birthlengths, and were at lower risk for maternal obesity and had higher average hemoglobin levels. A recent CDC study found that obesity rates among low-income U.S. preschool children had stabilized or improved in a number of States, suggesting that recent changes to the WIC food packages may have contributed to this positive trend. With the recent publication of the final rule implementing the science based changes to the WIC food packages, we can expect this vital program will continue to contribute to the health of infants and pregnant women.

- USDA Foods make positive contributions to the diets of program participants. The Department has significantly improved the nutrition profile of its USDA Foods by reducing sodium, fat, and added sugars across a range of products, increasing the variety of fruits and vegetables available, and offering only whole grain options to help schools meet the meal pattern requirements in School Year (SY) 2014-15.

These are important results that Congress and the executive branch have achieved together. I am committed to building on them with ongoing initiatives to integrate science and evidence-based improvements into all programs for which I am responsible. I am further committed to making continued improvements in the integrity of these programs – one of my, and the Department's, most important responsibilities.

As I have testified to previously before Congress, Americans expect and fundamentally deserve a government that ensures that the tremendous public investment in nutrition assistance is managed wisely. We must earn and maintain the public's trust through the proper administration of these programs—including accurate payments and appropriate use of benefits. Without that, we risk undermining public confidence, and threaten the programs' very survival. Our 2015 budget request includes additional investments to improve integrity, especially in SNAP, the largest program. Administrator Rowe will speak to you in more detail on this request. I would like to touch briefly on some of the ongoing efforts we are making to improve integrity.

Maintaining payment accuracy is a nationwide commitment between USDA and our State partners and supports President Obama's Executive Order to reduce improper payments. To find payment errors in SNAP – which can result from administrative mistakes or intentional violations – the Department uses a rigorous quality control process to determine if households are getting the right amount of benefits. If not, States must recover over-issued benefits and provide under issued benefits. In 2012, we achieved the highest payment accuracy rate in the program's history - 96.58 percent. The SNAP rate is among the best in the Federal government. That said, we are working to do even better. That is the kind of government the American taxpayer deserves.

With regard to trafficking – the sale of SNAP benefits for cash – we are actively investigating and punishing this illegal activity. The penalties for trafficking are severe, ranging from program disqualification and monetary fines, to criminal prosecution. Over the last 15 years, FNS has implemented measures to reduce trafficking dramatically, from an estimated four percent down to about 1.3 percent currently. And new rules now being finalized at USDA will stiffen penalties so that the fine is truly reflective of the harm done. We hope this serves as a disincentive for retailers who may be thinking about trying to make a quick buck off the program.

We are also working closely with our State partners to fight SNAP recipient fraud. Recipients who commit fraud are subject to disqualification and repayment of any benefits. In fiscal year 2012, States conducted nearly 730,000 investigations, disqualified over 42,000 individuals, and collected over $72 million in fraud claims from households. Since 1992, the Federal government has collected more than $1.3 billion in delinquent SNAP recipient claims. But we know this is not enough. Technology has a way of creating new loopholes that were never envisioned at the time the program was created, and government has to adapt to these new challenges in order to make sure that the public investment in SNAP is protected. This year, our joint SNAP initiative with Inspector General Fong's team is drawing on our respective offices and the strengths and responsibilities of Federal, State and local law enforcement partners to identify and prosecute SNAP fraud, and to prevent it in the first place, among both retailers and recipients.

Congress recently passed the Agricultural Act of 2014, which preserves the fundamental structure of the nutrition assistance programs while also making some needed improvements and reforms. This includes substantial investments in innovative projects to improve the ability of the programs to promote healthful choices, to improve efficiency and integrity, and to test best practices to help SNAP participants work and increase their income. It also includes a significant increase ($125 million) over the next 5 years in funding for TEFAP food purchases, a program which provides the network of food banks with food to distribute to local organizations, such as soup kitchens and food pantries that directly serve low-income households. As you

know, prompt and robust implementation of the Act is a top Departmental priority, and we are working energetically with our State partners to implement the provisions of Title IV as quickly as possible.

Let me turn my attention as well to the school meals programs. We continue to implement historic changes to the Child Nutrition programs that were enacted through the Healthy, Hunger-Free Kids Act of 2010. The latest data shows that a year after implementation, almost 90 percent of lunches have been certified as meeting the updated, science-based meal standards, allowing schools that serve them to receive six cents in additional reimbursement. This means that the great majority of students who participate are being served lunches with more whole grains, fruits and vegetables, and low fat milk, with reductions in the amounts of sodium, *trans* fats, and calories. In addition, a recent study offers evidence that the updated meal patterns are having positive impacts on fruit and vegetable consumption, and are not resulting in greater plate waste.

We remain committed to reducing improper payments in the school meals programs. Roughly half of the payment errors in these programs result from problems with certifying children for the correct level of benefits, and half result from problems in making appropriate claims for the number and type of meals that earn reimbursement. We know there are no simple solutions to these problems, as we must not compromise access for low-income families or unduly increase the burden on schools. FNS has been working to reduce school meals improper payments for several years, and the Healthy, Hunger-Free Kids Act of 2010 provided new tools in this effort. These include:

- Improving application-based eligibility determinations by clarifying school districts' ability to verify applications "for cause" and require high-risk school districts to conduct a second review of applications for accuracy, prior to providing free or reduced price benefits.

- Supporting improved direct certification with State continuous improvement plans and other strategies, resulting in a substantial improvement in the rate of children directly certified. In

SY 2012-13, 89 percent of children receiving SNAP were directly certified for free school meals, up from 69 percent in SY 2007-08.

- Improving oversight of school districts by implementing a 3-year review cycle (instead of 5-year), and revamping the State administrative review process to develop a streamlined and, unified process for conducting reviews.

- Providing funding to support improved oversight and data analysis through annual grants to States for administrative reviews and training.

Several additional actions that will support improved program integrity are underway, including a proposed rule that provides States the authority to impose fines for egregious or ongoing program compliance issues. We expect the proposed rule to be published later in 2014. And we will have a new assessment of improper payments—our first since SY 2006—in late 2014.

With the funding provided by this Committee, we are creating a specific federal integrity unit focused on improving the Federal oversight of the WIC program and the development of analytic tools to deploy in the oversight of vendor activities.

I truly believe Americans support putting healthy food on the table for struggling individuals and families – but they also want to know taxpayer funds are being used wisely. That's why we will continue to confront error and abuse head-on to make sure the programs will continue to be there for those who truly need them. The taxpayers that make the program possible deserve nothing less than that kind of steadfast commitment.

As I noted previously, Administrator Rowe's testimony describes the details of our budget request in more detail. But I'd like in closing to note a few items of particular interest:

- Our 2015 budget request makes a substantial new investment in SNAP integrity to build on the significant progress we have made. We are requesting an increase of $9 million which

would allow FNS to expand monitoring and investigations of the growing population of SNAP retailers to achieve even greater gains as a result of the recent reengineering of the retailer authorization and oversight process, and to maximize its investments in technology and enhanced policies associated with retailer integrity. We are also requesting $3 million to increase the depth and frequency of management reviews of State SNAP administration.

- We propose to extend and expand the Summer EBT for Children projects with an additional $30 million investment. The summer EBT pilots funded by this Committee in 2010 have proven successful in reducing food insecurity and improving nutrition among participating children during the summer, and the budget proposes to build on that success.

- We are seeking additional support for schools as they work to implement improved meals. The request includes $35 million for school meals equipment grants, which will make a significant investment in meeting unmet needs for equipment assistance. The grants will allow school districts to purchase the tools needed to serve healthier meals, improve food safety, close the access gap at breakfast, and reduce costs by improving energy efficiency.

- We propose additional resources to advance the use of up-to-date technology and business processes in WIC. The request includes $30 million to continue the work with State agencies, food retail vendors and the payments industry to implement WIC EBT nationwide by 2020.

- And we propose an additional $2 million to promote the Dietary Guidelines and *MyPlate*, and to develop Federal dietary guidance for Americans from birth to two years old.

I appreciate the opportunity to appear before you today, and I look forward to any questions.

FOOD, NUTRITION, AND CONSUMER SERVICES

Statement of Audrey Rowe, Administrator
Food and Nutrition Service
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

Thank you, Mr. Chairman, and members of the Subcommittee for the opportunity to testify on the programs and services administered by the Food and Nutrition Service (FNS). FNS' mission is to increase food security and reduce hunger in partnership with States and other cooperating organizations by providing children and low-income Americans with access to sufficient food, a healthful diet, and nutrition education. FNS has long been committed to managing the Federal nutrition assistance programs with an eye to efficient and effective use of the resources available. I am pleased to be here today to discuss our recent efforts.

As you know, this year is the 50th anniversary of the War on Poverty and the passage of the Food Stamp Act of 1964, and the nutrition assistance programs remain critically important to millions of Americans. We have made great strides over the last 50 years; however, food security is still a significant issue with a myriad of both short and long-term consequences. We, as a Nation, are facing a growing health crisis in the form of diet and obesity-related diseases. At FNS, we are working to provide the tools to create a change in nutrition and help this generation of children to grow up healthier and stronger than the last.

Although the economy is gaining strength and unemployment rates are falling, many are still struggling to put nutritious food on the table. Programs like the Supplemental Nutrition Assistance Program (SNAP), the National School Lunch and Breakfast programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) are essential to millions of families facing economic hardship. Their positive impacts can be felt in schools, food banks, child and adult care centers, food pantries, soup kitchens, and family tables across our country. Their reach and their success reflect the dedication of the State and local agencies that operate them. These agencies have had to operate through times of increased demand, economic uncertainty and shrinking administrative resources. I am grateful that they have

sustained effective delivery of benefits to those who need them the most, while ensuring the integrity of program operations.

Increasing Access to Healthy Food in the Summer Months

One area where we have been concentrating our efforts to reduce food insecurity is in the Summer Food Service Program (SFSP). We know that millions of eligible low-income children are not yet reached by the SFSP. On an average day during the school year, about 21 million children receive a free or reduced price lunch at school. However, less than 3 million children are served on a daily basis during the summer months. As a result, USDA data continue to show that very low food insecurity among children is a serious problem for households in the summer. In 2013, FNS implemented a new model for SFSP promotion by providing intensive technical assistance to expand the reach of the SFSP in five targeted States – Arkansas, California, Colorado, Rhode Island and Virginia – with the goal of increasing the number of summer meals served by 5 million. The efforts exceeded expectations with an additional 7 million meals served and with participation rates increasing – most dramatically in Arkansas where participation increased by almost 38 percent. This summer, we are expanding the model to an additional six States including Alabama, Illinois, Mississippi, Missouri, Nevada and Texas.

While we are encouraged at the increase in meals served in the traditional SFSP, we are also very excited by the results we are obtaining from the Summer Electronic Benefit Transfer for Children (SEBTC) demonstration projects. These projects, which were authorized in the fiscal year (FY) 2010 appropriations act, have been testing the viability and impacts of providing either a SNAP-like or a WIC-like electronic benefit to low-income families with school-aged children during the summer months, when school meals are not available. The projects have operated in select sites in 10 States and Indian Tribal Nations. Our evaluations of these projects show exciting results – for example, that SEBTC reduced the prevalence of food insecurity among children by 19 percent, and the prevalence of very low food security among children, the most severe category, by 33 percent. These impressive results were present in sites utilizing both the WIC EBT and the SNAP EBT models. To further build on these results, FNS has included a request for an additional $30 million in FY 2015 to expand the demonstration projects to

additional areas, including the possibility of implementing on a State-wide basis in one or two small States.

Program Integrity

As with any Federal program, the nutrition assistance programs require sustained attention to program integrity, which is fundamental to our mission. With this budget request, we are asking the Nation to entrust us with over $112 billion of the taxpayers' money. We are acutely aware of the immense responsibility this represents. Americans expect and deserve a government that ensures their hard-earned tax dollars are managed with accountability and integrity. For that reason, fighting waste, fraud and abuse is fundamental to the mission of these vital programs.

<u>SNAP</u>

Over the past decade, FNS and our State partners have worked vigilantly to ensure SNAP eligibility and benefit determinations achieve high rates of accuracy. Improper payments draw scarce program resources away from the children and low-income people who need them the most. I'm pleased to report that the rate of improper payments in SNAP in FY 2012 reached a historic low of 3.42 percent, reduced by more than half since 2000, and among the lowest in the federal government.

In addition to payment accuracy, we're focused on improving State oversight for the Federal nutrition programs by strengthening our Management Evaluation System Reviews (MEs) which enable us to identify and address program vulnerabilities, identify customer service issues, help States draft and implement corrective actions, and to provide technical assistance to help States improve their business processes. During FY 2013, FNS kicked off several initiatives to strengthen the ME system. These included increasing the number, scope, and quality of reviews, providing targeted training and technical assistance to reviewers and implementing technology to support the review process.

Last year, I spoke to you about our reorganization of SNAP retailer operations. In FY 2013, FNS reengineered and centralized retailer operations to maximize use of resources, gain

efficiencies, and improve efforts to fight fraud and ensure integrity. Centralization into one national, integrated structure allows for better oversight, greater consistency, better communication, and improved quality of operations. Improving our efficiency and oversight of retailers is especially important since the number of authorized retailers is skyrocketing. At the end of FY 2013, over 250,000 retailers were authorized to accept SNAP benefits – an increase of over 40 percent in a four-year time period. In FY 2013 alone, FNS staff authorized or reauthorized over 52,000 retailers to participate in SNAP. In this same period, almost 22,000 firms were withdrawn from participation because of changes in ownership, business closings or nonconformance with authorization criteria. In addition, 2,000 stores were fined or disqualified temporarily or permanently for noncompliance with either the law or SNAP regulations.

Last August, FNS released a report that showed that the estimated rate of trafficking is very low, just over one percent in the 2009-2011 time period, and finding that the vast majority of trafficking occurs in smaller stores. But any amount of trafficking or fraud is too much – which is why we are redoubling our retailer integrity efforts with funding provided in the FY 2014 appropriations act, the Agriculture Act of 2014, and with the funding proposed in this budget request. In addition to reengineering our retailer authorization and oversight process, we're adding analysts, undercover investigators and other retailer integrity staff and increasing our focus on high risk geographical areas and high risk retailers. This is a high-yield investment since each additional investigator produces approximately 100 undercover cases per year.

Realizing it takes two to tango, when FNS uses EBT data to disqualify a retailer, it also has knowledge of the clients suspected of trafficking at the store. To address trafficking holistically, we refer clients with suspicious transaction patterns at disqualified retailers to States for further investigation for potential trafficking violations. States conduct investigations of client activity and if a client is found guilty, the client is held accountable. Penalties for recipient trafficking include administrative disqualification, criminal penalties, and claims to recoup the loss to the government. In FY 2012, States conducted nearly 730,000 investigations resulting in over 42,000 disqualified individuals. During that same year, States collected over $72 million in fraud claims from households. State agencies are entitled to retain 35 percent of the amount they collect on fraud claims, and the remaining 65 percent is returned to SNAP.

FNS is also working with States on new and innovative approaches to identify and address recipient fraud. In September 2013, SNAP awarded a contract to Accenture Federal Services to provide expert services and technical assistance in the area of recipient fraud prevention and detection for seven State agencies. Accenture will evaluate how each State or county handles fraud and will help them determine what strategies and best practices meet their individual needs. The primary objective is to improve how effectively recipients suspected of trafficking SNAP benefits are identified and investigated. Accenture will then help the State implement those strategies or improvements and measure the impact of the business process re-engineering activities. The goal of the project is to have a set of practices and analytical approaches that can be implemented across the country to improve fraud prevention and detection. The project launched in New York in January and is expected to span through September 2015.

Child Nutrition

Improper payments in the school meals programs are a concern. FNS has been taking numerous steps to address improper payments such as supporting improvements and expansion of direct certification, allowing schools to increase their verification of applications "for cause," and providing funding to support improved oversight and data analysis by States. Direct certification provides automatic eligibility for low-income children through data-matching with other agencies, without relying on information submitted on household applications. Allowing school districts to increase their verification sample size "for cause" enables them to conduct a second review of applications for accuracy where warranted. In addition, we have improved oversight of school districts by implementing a three-year review cycle in place of the former five-year review cycle and we are targeting and focusing resources on areas at-risk for non-compliance. We anticipate that the impact of these and similar actions will be reflected in the results of a survey of improper payments which should be available later this year.

In addition, FNS has been working with a limited number of States to implement Community Eligibility, as provided for the in Healthy Hunger-Free Kids Act of 2010. Under Community Eligibility, FNS provides Federal reimbursement to eligible schools based on the

percentage of low-income students; schools must offer free meals to all enrolled students and cover any costs above what is provided in Federal reimbursement. Community Eligibility can help reduce the incidence of improper payments because it eliminates the need for individual households to apply for free meals and significantly reduces burdensome paperwork for both households and schools.

WIC

The WIC Program is one of the most effective and efficient Federal programs. While food inflation has increased by about 85 percent since 1990, the average food package cost in WIC has increased by only 49 percent. FNS has long been working with State agencies to implement cost containment measures such as infant formula rebate contracts and use of generic and lowest cost brands. As a result, State agencies have more cost-effective vendor peer groups, participants are purchasing more reasonably priced food items, WIC rebates are higher, and net food costs are lower. Currently, the $1.7 billion in annual formula rebates supports an estimated 1.8 million WIC participants.

In addition to focusing on cost containment, FNS has been working with States to provide oversight and technical assistance focusing on vendor management. The final report from the WIC Vendor Management Study, which was released in November 2013, indicates that nationwide, vendor charging errors represent 1.1 percent of the WIC Program's food expenditures. To address this, FNS now requires that a targeted Management Evaluation focusing on WIC vendor management be conducted in every State before the end of this fiscal year. While these evaluations are still underway, preliminary trends are being identified that will shape future review policy and training efforts at both the Federal and State levels.

Focus on Making FNS "The Employer of Choice"

While we are focusing on reducing food insecurity and improving program integrity, we are also focusing on making FNS the Employer of Choice in the Federal government by providing leadership and supervisory training as well as a healthy work environment that values diversity and promotes a focus on the mission of the Agency. We are continuing to reduce costs

through improvements in contracting and space utilization while maintaining our commitment to employee development and customer service.

All of these efforts – the changes we are making in FNS operations, our support for and partnership with States, and our continued action on integrity – are critical to making sure that every taxpayer dollar that we invest in these programs yields the greatest possible results for the people we serve. Americans deserve, and should expect, nothing less.

Let me turn now to a few highlights of the FNS budget request:

Child Nutrition Programs

The budget requests $20.5 billion for the Child Nutrition Programs, to assist State and local governments in serving nutritious meals to children in public and private schools, child care centers and family day care homes as well as summer recreation programs. This level of funding will support an expected increase in average daily lunch participation from 30.2 million children in FY 2014 to 30.4 million children in FY 2015. In addition, breakfast participation is expected to grow by almost 3 percent from 13.6 million to 14 million children per day. In addition, the percentage of meals projected to be reimbursed at free and reduced price rates has leveled off after high growth in the past few years, and is expected to decline slightly in FY 2015 from historic highs in FY 2014.

The budget request also includes $35 million for School Meals Equipment Grants, which will make a significant investment to help meet the need for equipment assistance. These grants will allow school districts to purchase the tools needed to serve healthier meals, improve food safety, close the access gap at breakfast, and reduce costs by improving energy efficiency.

Finally, as discussed above, the President's Budget requests $30 million for the Summer EBT Demonstration projects. With the proposed funding, FNS will begin to expand the demonstration projects and may be able to implement on a State-wide basis in one or two small States.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

The President's Budget includes $6.8 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children, or WIC, to ensure that all eligible persons seeking to participate can be served. The request will provide supplemental food, nutrition education, including breastfeeding promotion and support, and a link to health care to a monthly average of 8.66 million low-income women, infants and children during FY 2015 – about the same number as participated in FY 2014. The requested level fully supports recent revisions to the food package – such as increases in fruits and vegetables, whole grains and low-fat dairy – that are designed to improve the nutrition and health of program participants by providing more healthy choices to meet their nutritional needs during critical periods of growth and development.

The budget request also includes $30 million to continue the work with State agencies, food retail vendors and the payments industry to implement WIC EBT nationwide by 2020. There are currently 68 State agencies in various stages of WIC EBT implementation, including 11 States and Indian Tribal Organizations where EBT is operating state-wide. These include Michigan, West Virginia, Kentucky, Texas, New Mexico, Wyoming, and Nevada. The budget request also continues to support and promote breastfeeding as the best form of nutrition for infants. WIC offers support and encouragement, including peer counseling and a more substantial food package, to women who choose to breastfeed their infants. The emphasis seems to be working because based on the 2012 WIC Participant and Program Characteristics data, for the first time, the proportion of WIC breastfeeding women was higher than the proportion of non-breastfeeding, postpartum women. FNS has been working to provide the tools that States need to implement and manage research-based peer counseling programs and, as a result, State agencies are currently implementing plans that institutionalize peer counseling as a core service for WIC. To continue to support this important effort, the budget maintains the amount available for breastfeeding peer counseling at $60 million.

Supplemental Nutrition Assistance Program (SNAP)

The President's Budget requests about $84 billion for SNAP, enough to serve an estimated average of 46.9 million people each month in FY 2015, a projected decline benefit

costs and in participation from FY 2014. The projected decline in participation is largely a reflection of the predicted improvement in economic conditions. The request also includes $5 billion in SNAP contingency funds, which less than one month's worth of benefits.

To conform the treatment of SNAP with other direct spending programs subject to appropriations that serve low-income individuals, such as Medicaid, SSI, Child Support, and Foster Care, the Budget would provide an advance appropriation for FY 2016 and enhanced flexibility in the fourth quarter.

Building on our budget requests in FY 2014, the FNS request for other program costs includes $9 million to allow FNS to continue to increase its staff of investigators and compliance analysts to monitor the growing population of SNAP retailers. In addition, the budget includes $3 million to support new staff focused on Management Evaluation reviews of State agency administration of the program including financial management. Currently, even with the additional staff investments in FY 2014, more manpower is needed to perform adequate State-level oversight.

Finally, the request includes $3 million within other program costs to provide technical assistance to States in designing and operating Employment and Training (E&T) programs. The President's Budget focuses on investments in workforce training to strengthen the middle class and reduce poverty. This emphasis is also present in the recent passage of the Farm Bill that provides significant funding to operate E&T pilot programs in a handful of States. Everyone can agree that having sufficient and sustainable earnings is key to reducing poverty and eliminating food insecurity. Through successful E&T programs, SNAP can help prepare people for and connect them to employment. FNS currently has very limited staff devoted to E&T issues. Additional staff would focus on activities such as collecting and disseminating best practices in the field of E&T services, generating guidance on evidence-based strategies for improving E&T services and providing technical assistance to State agencies and community partners on expanding and enhancing E&T services. This funding is critical to ensuring the success and longevity of the new emphasis on E&T programs.

Turning to the Food Distribution Program on Indian Reservations (FDPIR), the budget includes an additional $10 million to support increased participation and $5 million to enhance the food package with regionally preferred foods such as bison, wild rice and blue corn meal utilizing local sources, to the extent practicable.

Commodity Assistance Program

The President's Budget includes $275 million for the Commodity Assistance Program, including an increase of $6 million for the Commodity Supplemental Food Program (CSFP). Funding for CSFP continues to support the current caseload by providing supplemental food assistance to many low-income seniors and others struggling to meet their monthly food needs.

Nutrition Programs Administration

We are seeking $155 million to support the work of FNS. The budget request includes an increase of almost $13 million to support the decentralization of the Department's GSA Rental Payments and DHS Security Payments account. In addition, the budget includes an increase of $2 million for the Center for Nutrition Policy and Promotion (CNPP). Of the requested increase for CNPP, $1 million would be used to implement proven strategies to target vulnerable populations with programming designed to improve eating and physical activity behaviors. The other $1 million would be targeted toward development of unified Federal dietary guidance for Americans from birth to 2 years old as directed by the recent Farm Bill.

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to present this budget request to you. I would be happy to address any questions you may have.

LOW-INCOME HOME ENERGY ASSISTANCE (LIHEAP) AND SNAP

Mr. ADERHOLT. Thank you. Again, we welcome you to the Subcommittee, and we look forward to having a chance to go over a few questions and get your response.

Let me start out with LIHEAP and SNAP. We have all seen the news articles citing that seven States or more will be circumventing the intent of Congress to close the loopholes between LIHEAP and SNAP. My first question would be is the Department reviewing State actions in response to the Farm Bill to see how LIHEAP funds are being used in connection with SNAP for those 16 States that use the heat and eat practice?

Mr. CONCANNON. Thank you, Mr. Chairman.

With the passage of the Farm Bill, one of the earliest communications that I sent out to States specifically referenced the LIHEAP provision in the Farm Bill or in the Agricultural Act of 2014. We repeated basically the language that Congress passed in the Bill that basically said, States, if they were to rely upon the LIHEAP provision, would need to spend at least $20 per person per year.

We did not urge States to do so, we didn't urge States to not take advantage of that. States subsequently, Governors—I worked for Governors for 30 years directly in three States—Governors made decisions. Democratic Governors and at least one Republican Governor elected to put aside or to engage at least $20 and put it in LIHEAP funds to enable people to qualify for the benefit. I have seen the same reports in the news that the Chair refers to. Those are within, as far as we can read, the authority of the Bill. We sent that information out to States. We didn't urge them to in any way misuse it. We said you must comply with this law.

They have to be—so far as I can tell, those States that are intending to put $20 or more in their LIHEAP benefits in those households are complying with the law as it is written.

Mr. ADERHOLT. Yes. I understand. Do you have a process in place to certify the States that are creating this $20 LIHEAP payments, only to give such payments to households with legitimate energy expenses that they would qualify for the SNAP utility allowance?

Mr. CONCANNON. They will need to—they currently do so, but we will need to see from States what they are proposing to do. That bill, as you know, went into effect on—or the impact of the Act went into effect on the 10th of March as stated in Act, so we notified States right away. This is coming, it is not going to be delayed, it is applied on the 10th of March, and particularly for new applicants in the program, the 10th of March is the start date.

States, under the law, have a period of up to 4 months to delay the impact on existing caseload, so we have not heard from those States other than just what—directly what has been in the media about what they are intending to do. We will obviously be reviewing that for purposes of making sure that it complies with the law.

Mr. ADERHOLT. Well, I think what we are focused on here is intent and intent of the law, so are you working with Health and Human Services to ensure that Congressional intent is followed?

Mr. CONCANNON. We have sent a letter out to States to make sure that they do follow legislative intent. That is why we sent that

language so quickly. The Farm Bill was passed, I believe, on the 10th of February, and within a matter of days, we sent that letter out specifically as it pertained to the LIHEAP provision.

Mr. ADERHOLT. Well, I can't stress enough how important it is that you ensure Congressional intent is followed——

Mr. CONCANNON. I agree.

Mr. ADERHOLT [continuing]. In regard to implementing the provision. I would encourage you to work with your counterparts at the Health and Human Services and closely monitor the LIHEAP/SNAP connections, and I can assure you that we will be very much reviewing that from our standpoint as well.

SCHOOL MEAL STANDARDS

When Secretary Vilsack testified back just a little over a week ago on March 14th, he said that he could not establish a waiver process to provide more time for schools to comply with the school breakfast competitive food regulations, as I alluded to in my opening remarks. If the Department wanted to provide flexibility for schools, I mentioned to him, and of course mentioned a few minutes ago, that I think you could find a way to do that even outside the waiver process.

Is the Department in any way at all examining options to give schools more time to comply with the regulations?

Mr. CONCANNON. We are very committed, Mr. Chair, to work with schools because we know these are significant changes. I think we have demonstrated that pretty clearly the fact that now we are in the second year of implementation. More than 90 percent of the meals served across the country are meeting those standards. Schools are earning the six cents. We have not penalized, financially, a single school across the country, to my awareness, in terms of these provisions.

We know it is a big shift for them. We are working to provide technical assistance, and we are listening. We are listening to schools, and as we follow up—even the Chairman's commentary last week with folks in his State as well as other States around the country—so we are very committed to make this happen. We want it to happen to benefit children, students across the country, and I think we have a demonstrated record in that regard, but the law does not allow us to simply declare that we are going to delay the implementation of it. That is the counsel provided to us from our General Counsel, that was a law that was passed by Congress in 2010, and no more can we disregard that law than we could disregard the law earlier cited as it pertains to LIHEAP.

Mr. ADERHOLT. Well, technical assistance, you know, is a start, but the bottom line is increased food cost is still an issue out there, and if students are not eating the food, if the schools are—think waste is increasing and there is decreased participation and there is decreased revenue, then I think that is something that must be kept in mind. So, certainly, like I said, I want to stress how important it is to try to find ways to try to help these schools comply.

Mr. Farr.

Mr. FARR. Mr. Chairman, I just have to say, it is kind of ironic that the Republicans want to bring down the cost of healthcare

without having a plan, but you want to increase the cost by delaying the extension of school standards.

I mean, I represent 1,200 school districts, not me but the State of California, has over 1,200 school districts, and they came into my office opposing the effort of this push to extend the regulations. They think that they are great and that they are really getting the kind of food in the schools now that they need to feed kids in order to be healthy.

You know, our problem, and our Committee ought to be really zeroing in on this, the problem is that we have not—we have, in my lifetime, the American diet has changed. In 1964, the McDonald's moved to Salinas, California, the biggest city in my district. I was in the Peace Corps. I graduated from college. I never had any fast food in my life. The curiosity was going to be able to go and buy a 19 cent hamburger to see what it tastes like. There was a lot of objections with sort of the big arches and all that, what they were doing to the town aesthetics, but you know, that was kind of a curiosity thing.

Fast food has just become a way of life in America. Nothing wrong with theincredible opportunity you get, but if the consumers demanded healthy foods, the fast foods would sell it. That is why they are putting salad bars in Chuck E. Cheese and salad bars in the McDonald's.

It seems to me that our Committee, we ought to be trying to figure out how to get this incredible produce that America produces eaten in our schools rather than the junk food which in the end is going to cause us all kinds of health costs. So the ounce of prevention is a pound of cure, and I am just curious as to why you don't want to put that pound of cure into this program.

LIHEAP AND SNAP

Would you, Mr. Secretary, explain a little bit about the LIHEAP combination? I mean, I don't think most members of Congress understand it because you said Governors of—Republican Governors indicated that it is in their economic interest to put in more money in order to meet the Congressional intent, in order to feed people.

What is this—LIHEAP, the idea that this was being abused, could you explain that and what the differences in the amount of money that is involved?

Mr. CONCANNON. Yes, yes, indeed.

Mr. FARR. For an individual?

Mr. CONCANNON. In 16 States plus the District of Columbia across the country States, based on language that was in an earlier Farm Bill, and let me back up a little and just say that when a household applies for SNAP benefits, their income is—obviously they must cite their income, but then they are allowed to, in effect, subtract the cost of heating and cooling in certain States across the country from their net income.

And Congress, recognizing this, as a very common area of mistake or improper payment in trying to figure it out in these various State or county offices across the country, years ago created something called a Standard Utility Allowance, or authorized it, where the average cost of utilities in a State are annualized and that

number can then be applied at State option to households coming in.

So, if my income is a thousand dollars a month but the average utility cost in my State is $200 per month or $250, I can subtract that from the thousand in determining my benefit. And those 17 States that use the low income energy assistance provision, the impact of those States doing that, which is legal, had an impact of about $96 per case on average per month, or roughly $1,000, just over $1,000 per year.

So, I suspect, and I saw this morning, one of the nation's largest food store chains reported in their report to their stockholders yesterday their concerns about impact on revenues as a result of both the reductions in SNAP benefits that occurred on the 1st of November. Remember, every household in the U.S. on food stamps saw a reduction in their benefits last November as a result of the American Recovery and Reinvestment Act—ARRA—benefits running out.

And so in these States, many people are still struggling in this economy. These States that have so far elected to put $20 in the LIHEAP, by doing so knowing that it will trigger about, on average, about $1,000 a year per household. They are doing it out of recognition that families are struggling and also will have an impact on the respective economies.

And the language in the Agriculture Bill never said you are prohibited from doing this. It simply said you must spend $20. So, States reading that, their own legislative people read it and said, okay, we are going to do that $20. If Congress wanted to prohibit it outright, it could have said this is prohibited forever more or you have to spend $500 or pick a steep curve if Congress was intending to prohibit it. That is why States are making that judgment.

Mr. ADERHOLT. Mr. Yoder.

LIHEAP AND SNAP

Mr. YODER. Thank you, Mr. Chairman.

On that topic, sir, and appreciate you-all coming today, and we appreciate your service to the country and your efforts to help a lot of people in this country who have needs and need our support.

But we all want to ensure that these programs, that the integrity is met, that it is getting to the people who need it most, and I think that is a bipartisan concern we share, and so I think we are all just concerned in general that if these programs are not being administered properly or there are loopholes or challenges, that that ultimately affects the people who need the money the most, beyond the taxpayers who expect the integrity of these programs to be upheld.

So, a couple of questions to follow up on the topic that the Chairman and the Ranking Member asked about. Do we have an estimate now that the States are continuing to use this provision of how much in the projected savings, as part of the Farm Bill, will not be achieved? Have you been able to render a dollar figure on that?

And do you have any recommendations to us as appropriators on how we can resolve that, because obviously we have to put together our budget and we need to know the numbers, and there was an accounting for about $8.6 billion. Is that going to all come to fru-

ition, what portion of it won't, and do you have any recommendations to the Committee on how to move forward in general on this subject?

Mr. CONCANNON. Well, as I noted earlier, the provisions in the Agricultural Act of 2014 allow States a period of months before——

Mr. YODER. Uh-huh.

Mr. CONCANNON. If they elect, and I would agree, even in those States that are not in any way taking action about LIHEAP, that they would exercise that option of delaying by a period of months. I believe the estimate that the CBO included in the construction of the budget was about $850 million a year associated with this, so we will be watching that.

We haven't formally heard from States that have made this decision or I am submitting, you know, a proposal, but we will certainly keep this Committee, the Congress advised of what information is forwarded to us in that regard.

I share your concern about oversight. I am totally committed to making sure that we reduce as much as possible both improper payments but also particularly trafficking. That is not the issue you are talking about, but it is in that spirit I want the public confidence to remain in the effectiveness of these programs.

Mr. YODER. And you mention that in your testimony, and I certainly appreciated you bringing those issues forward, your efforts to reduce fraud in no matter what program it is in. We all want to do that here in this country.

Regarding the additional expenditures under LIHEAP. So now we have individuals who were receiving maybe $1 in LIHEAP benefits, receiving $20 in LIHEAP benefits, and I note that these programs were linked originally so that poor families who struggle to pay their utility bills, will get a bump with their groceries more so than people who don't face the utility hardship.

So, assuming that these LIHEAP dollars are not infinite, that there is a finite amount of LIHEAP dollars to spend, have we had an estimate on what impact moving $20 into these other individuals will have? Does this mean that individuals who actually are the neediest folks who are receiving utility dollars will receive $20 less a year, or does it mean there will be a greater draw on the Treasury and LIHEAP spending will actually go up as a whole?

Either way, I think those are things we haven't prepared for which is greater State spending on LIHEAP as a result of this provision, which is supposed to save money, actually might result in more money being spent, or just not fully understanding how that works, does it mean that actually people who have the greatest utility expense needs, are now going to receive $20 less per year because of this effort by a handful of States to continue to use this so-called loophole to expand food stamp recipients.

Mr. CONCANNON. I am unable to really answer the question on LIHEAP because we don't administer it, I don't administer it. In fact, didn't in most of the States I oversaw, so I don't know what the circumstances our States are in with regard to LIHEAP, whether it is fully utilized currently or whether there are contingency funds within it. I am very much aware that it has been a very tough winter——

Mr. YODER. Sure.

Mr. CONCANNON [continuing]. Heating-wise across the country, but that is something we will pursue. That program is overseen over in the Department of Health and Human Services.

Mr. YODER. I just think that would be a concern of everybody on this Committee, and we have this program, we spend about 3-and-a-half billion dollars a year on it to help the neediest of Americans with their utility bills in these very cold winters, and I think it would be a real sad point if States were taking money away from those who need it most in order to expand food stamp benefits.

I think ultimately what we ought to come down to is if people qualify, they ought to receive benefits, and if they don't, I just think we have got a really weird system right now set up that States are essentially acting in their self interest.

I get that, we have laid this provision out there. And it just seems like reform that Congress could look at to say if the goal is to expand recipients, we ought to do that, but to encourage States to take money away potentially from the neediest of Americans who are having trouble with their utility bills to simply qualify, seems like a really—not a very smart way to run a railroad here, and it seems like we could come up with a better way to make these benefits get to who need them the most.

Mr. CONCANNON. Again, I don't know what States are doing on that LIHEAP because I don't oversee it, but I am, again, very mindful that it has been very tough in most areas of the U.S. in recent months in terms of energy costs.

Mr. YODER. This could make it tougher. I would just like maybe your analysis, if you could get back to us, on what you see because it is—whether you oversee it or not, clearly there is a link here.

Mr. CONCANNON. Sure.

[The information follows:]

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

States have the authority to determine how to use their LIHEAP funding, in accordance with the program requirements. States' decisions about the use of LIHEAP funds (a program administered out of the Department of Health and Human Services) or State funds for energy assistance for qualifying households occur at that level. USDA does not have a role in those decisions. USDA is in the process of collecting information about how States are choosing to implement the LIHEAP provisions of the Farm Bill.

Mr. YODER. And you have reported to States how they can use the link, never saying they should or shouldn't, but there is a link, and we would like to just know, I guess, what impact is that going to have on our budget as States move this money around.

And I yield back, Mr. Chairman.

Mr. ADERHOLT. Mr. Bishop.

Mr. YODER. Thank you, sir.

SNAP AND WIC PROGRAMS IN GEORGIA

Mr. BISHOP. Thank you very much, and let me welcome the witnesses this morning.

Obviously, I have some concerns about the situation in Georgia, and so I want to focus on the Georgia SNAP backlog for the time being.

Mr. Concannon and Ms. Rowe, can you briefly give us an update on the SNAP situation in Georgia. It is my understanding that we

have over 50,000 applicants and recertifications which have been in a log jam for quite awhile, and if you had to make a guess, how long do you think it will take the State of Georgia, working with FNS, to resolve the issue?

I have been trying to get my arms around both the WIC and the SNAP problems facing Georgia. Do you think it is a system problem, a financial resources problem, a human resource problem, or what? What do you think the problem is?

And in the event that Georgia does not satisfactorily address the FNS insufficiency warning, what are the penalties and the fines of the responses that the State could be subject to if the program is not turned around in a timely manner? And what will the implications of that be for the many people that I represent in the State of Georgia and throughout the State of Georgia, who are eligible for and are receiving these benefits?

Mr. CONCANNON. Yes. I am pleased to respond to that. There have been some significant issues in the State of Georgia both in the WIC and SNAP programs. I can speak to that briefly. I am pleased to say that those—the State has very aggressively addressed those. The issues in WIC were largely associated with vendor payments, payments to different classifications of stores, and you know, we have had a particular focus this past year. In particular, on the WIC program because as the Chair noted in his remarks, WIC is funded, in terms of funding category, as a discretionary program, and it uses a significant amount of discretionary dollars, so we watch it very closely.

And I am pleased to say that the Georgia WIC situation has been very aggressively addressed. We have authorized the State of Georgia to start authorizing additional new stores in the WIC program. We would not have done that without satisfaction that they had addressed it. That is run out of the Department of Health.

The SNAP program is run out of the Social Services Agency, and there are significant concerns we have had there. Going back, it came to our attention the first of the year in particular that there was a significant backlog, as you noted in your question, and our Atlanta office has been working very closely with the State raising concerns about that—raising particular concerns about a totally ineffective call center where calls are being dropped. If you—some of our staff seven or eight times—tried to call the call center and those calls weren't responded to or they were dropped.

We made it very clear, we sent the Associate Administrator of the SNAP program on a plane down to Atlanta to meet with the Georgia State Agency Secretary directly to emphasize the level of concern that we had. And I am pleased to say right now the State has the message, and they are attending to it. We urged them to hire some outside eyes and ears because we came to the belief that they were not hearing from people within their own organization the seriousness of the problems. We said that directly to the Secretary, and—or the Commissioner.

Mr. BISHOP. The Commissioner.

Mr. CONCANNON. And, they have responded to that. They have hired some of the same people that helped Texas solve their problems a few years ago and Florida solve some system issues, not a

big huge consulting, but a couple of people that know how, who can actually make a difference there.

So, we are on the right road to resolving that. We are not there yet. We have set a date of March 31st. We said to the State, “you have to have this addressed to our satisfaction by the 31st of March.” We have a number of tools we can employ. We can reduce their reimbursement to the State, but we don’t see any short term gain to doing something like that because all that would do would exacerbate the inability of the State to timely address some of these issues.

We have told them to look at what North Carolina—North Carolina had some issues, and North Carolina demanded, required the counties to work weekends to resolve that backlog. We said, take a look at your neighboring State and what they did to respond to similar issues this spring or this winter, I should say, and they are now addressing it.

Mr. BISHOP. Thank you. Thank you very much.

I heard from people within the system who actually were frustrated that their own IT system and their call center was not working.

Mr. CONCANNON. Yeah.

Mr. BISHOP. And they called because they were not able to get sufficient response from those in charge in Atlanta.

Mr. CONCANNON. Right.

Mr. ADERHOLT. Mr. Rooney.

2015 DIETARY GUIDELINES

Mr. ROONEY. Thank you, Mr. Chairman.

I would like to switch gears a little bit and talk about the USDA working with the Department of Health and Human Services to update the 2010 dietary guidelines, which is ultimately to advise Americans on how healthy diets fit into their lifestyles, and as you know, this scientific advisory committee develops dietary guidelines. They are meeting to try to figure out what it is going to look like in 2015, and I assume and I hope that their decisions are based on the most recent scientific information available. But I am concerned, after reading some of the information about the committee’s meetings and the second meeting, specifically, that the focus is shifting away from nutrition to other things like sustainability and global warming.

I guess my first question is, when the committee meets again, can you explain to this Committee what the mission and the process will be of the scientific advisory committee moving forward, and then, secondly, will those recommendations be based on sound scientific current evidence as we move forward to those guidelines for 2015?

Mr. CONCANNON. Thank you very much for the question, and you are correct. The Dietary Guidelines Advisory Group has met several times. They met several weeks ago. I have sat in on portions of those meetings. The committee is in its very early stages. It has 15 or so major scientists, physicians, dietitians from major universities around the country.

The committee’s focus, what they will ultimately recommend to us are, recommendations that ensure a healthy nutritious safe diet

for Americans, and the committee's focus will be and is on how much people should eat and how do we prevent disease.

It is an advisory committee. They will make recommendations to us, to the Department of Health and Human Services and to USDA. The ultimate recommendations that will be in the final report from that committee must meet rigorous evidence standards, and the Nutrition Evidence Library that we oversee, staffed by professionals, looks for evidence, not just an occasional article here or there, but articles that have been systematically reviewed, meaning they have been confirmed by other research pieces that confirm the particular findings or recommendation.

The role of the advisory committee is advisory. I need to emphasize that. Those recommendations come to us. The Department of Health and Human Services, and the USDA make the final decision on what will be the specific recommendations of the committee.

Mr. ROONEY. I appreciate that, and I hope that when those recommendations come forward, that it is what you say.

I represent the largest beef cattle producing district in the State of Florida. I also represent a lot of sugar cane growers, and you know, some of the things that this advisory committee has said in news reports and on the record and some of the things that members of the committee have said in response to those members, the people testifying, have been very adverse to my constituents. Specifically things like, you know, saying that meat production is harmful to the environment because manure runoff and methane production by cattle, et cetera, et cetera, et cetera. These things affect our carbon footprint and are not sustainable, that we need to go more to, you know, plant-based-only type diet.

So, as you can imagine, my constituents are concerned, so I appreciate what you said that this is just an advisory committee, that everything is going to be based on science——

Mr. CONCANNON. Right.

Mr. ROONEY [continuing]. And the latest evidence that we have, not pie-in-the-sky theories about, you know, the perfect world that we could all live in some day, but what we are actually dealing with today.

Mr. CONCANNON. Yeah. I don't want to denigrate the importance of the advisory committee. It is a national advisory committee, and when we appointed them, we said you have one of the most important jobs facing the country. But their recommendations to us—ultimately, we make the decision on what will be contained in the dietary guidelines for 2015.

And it must be evidence that has been systematically reviewed, meaning, again, significant evidence—so it is not an occasional theory here or there. So, I want to assure you that because we are very mindful of the implications of it, for good and as well as that can be misperceived by people, and I am not aware of that. I sat through part of a comment period. We just listened. Actually, there were no responses for the period I was there from members of the committee. They simply listened. And this may have taken place during a discussion of committee members with one another. They do inform each other, and actually, they work in subgroups. We

provide the staff support to that, and we want the best product available.

If you look at actually, the history of the dietary guidelines, they do not change significantly from 5–year-period to 5–year-period. For example, I did not mention, when the Chair asked me about the school meals, one of the—or one of the areas that we have asked the Institute of Medicine, to step up their review for foods that they are going to recommend to us based on the next round of dietary guidelines as it pertains to the WIC program.

We said start it earlier so that we have plenty of time to hear what your recommendations are going to be in terms of the—what is a good diet for—and a healthy diet for Americans. They do not change, as I say, significantly from each 5 years to 5 years.

Mr. ROONEY. Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. Pingree.

SEQUESTRATION IMPACT

Ms. PINGREE. Thank you very much, Mr. Chair, and thank you to all of you for your testimony here today.

I had the great privilege of hearing you testify when I was on the Agriculture Committee, and it is like a little reunion to have you all back here again today.

And of course, Under Secretary Concannon, as some of you may know in the Committee, has his roots in Maine, and I had the great privilege of working with him when I was a State legislator, so always good to see you. Thank you.

I want to ask a couple of questions about the recently passed Farm Bill. So, first I want to thank you. Secretary Vilsack was in front of us, I think, last week. I talked to him about the Senior FarmShare Program, and I was extremely pleased that after we posed some of our questions about that, the USDA announced that funding for Maine Senior FarmShare would be released to help farmers and seniors connect in time for this growing season. We were worried about the inability to do that.

As you-all know, that is a $50 voucher for seniors to buy food. It makes a big difference for the seniors in our State, and we are just very happy it is going to proceed. But I was a little troubled to learn that the Maine Senior FarmShare program funding will be cut by 10 percent compared to last year. It is only $50, and to have that cut I guess, due to the sequestration; is a little frustrative.

Can you explain to us how FNS is coping with the continued burden of sequestration and the other issues that are coming up around that?

Mr. CONCANNON. Well, we do have impacts from sequestration in several areas. One that comes to mind was we were authorized by Congress for about $10 million in school equipment grants, and the need for schools are almost limitless to update their cooling or their food preparation hardware, and sequestration reduced that amount to about $9 million. That is one of the significant areas. And there are other impacts in other program areas. But to the specific fact of Senior Farmers' Market is we understand how important it is to households and individuals. We just don't have the funds to be able to offset that cut.

Ms. PINGREE. Well, thank you for that. I hope that we can at some point restore some of those cuts. These are programs that get a minimal amount of funding, and they make a huge difference. I didn't realize that the school equipment grants had been cut, and again I would say, kind of leading into my next question, that has been a big area of interest to Maine school kitchens.

I know a lot of communities are hoping to reinstate more of their food service programs in schools, and one of the big issues is that they often don't have the equipment anymore, so they need to put back in all the things that have somehow disappeared in the changes.

FARM TO SCHOOL PROGRAM

So, that leads me to my next question about farm-to-school. So, again, I am really proud of Maine. We have been doing an amazing job in getting locally grown food into our schools. According to the USDA farm-to-school census, 85 percent of Maine school districts are sourcing food locally, 42 percent of schools have edible school gardens, and it has just become a great place for the farming community.

The number of farms is growing in our State. It creates new markets, and also our school kids are getting the opportunity of both seeing the food in the garden and eating more healthy locally grown food, which I think makes a real difference when it comes to getting fruits and vegetables in their diet. They feel that much closer to the kale or spinach if they see it growing out in the school garden.

So, I am thrilled about the USDA farm-to-school grant program that was in the 2010 Healthy, Hunger-Free Kids Act. Again, it is a huge assistance to our schools. When I submitted my own bill on the Local Farms, Foods and Jobs Act, I thought this was something we really had to enhance.

During the 2 years since the advent of the grant program, I have been very proud to see many Maine projects apply for farm-to-school grants, but I am always disappointed when I hear how few of them are actually funded. It is obvious that $5 million is not enough to keep up with the very high funding demand for farm-to-school projects, which frankly, I think, would address many of the concerns that people have raised earlier about making it easier to transition to healthy school lunches.

So, can you tell me a little bit about the President's budget request and how it supports the farm-to-school program, and I will throw this in because I may run out of time. I am also excited about the farm-to-school five State pilot project that is in the Farm Bill. I think it is an excellent opportunity to connect all school districts. Do you have a plan to select those five States, and what is the timeline for that pilot process?

Mr. CONCANNON. Well, let me say the farm-to-school is something we continue to promote. I have done this, as have Audrey and our deputy, as we travel the country both encouraging schools to participate. As you noted, many schools, some of the best schools around the country, in rural areas or urban areas, even places like Iowa pointed out to me that kids now are—they are encountering more kids coming to school who really are unfamiliar with where

food comes from. They may see those—that corn and soybeans out in the field but they may be unaware that it is not the Hy-Vee Market, in their case, or Safeway or somebody like that.

So, we very much encourage it. We encourage school gardens. We encourage it as both a way to trigger student interest in knowing where food comes from, but also, as you noted, it can often be a way to encourage a child to say we grew these apples here in this county or whatever the food product might be.

Now, on the broader question of support. We are working with the Agricultural Marketing Service on encouraging and helping schools to do more local purchasing as well. And even in the USDA Foods arena, where about 20 percent of the foods that end up going to schools, they are often local. We say to schools that 80 percent of funding that schools use to buy foods can be spent locally. We have simplified our regulation so that they are better able to buy more locally produced foods, and we consider that a win-win situation. Those dollars go back in the local community, they tend to be fresh foods or fresh dairy that is going to affect, you know, the students.

Now, your question on the five States. I am sorry. I got distracted for a moment.

FARM BILL FARM-TO-SCHOOL PILOT PROGRAM

Ms. PINGREE. In the Farm Bill, there is a farm-to-school five State pilot program, so I'm just wondering about the timeline of that and how soon it can be implemented and how you will choose the States.

Mr. CONCANNON. We currently have a request, what is referred to as an RFA, out across the country saying tell us who is interested in doing this, rather than just putting out a proposal and then waiting for a State or some States to show up. We said tell us if you have some interest in this before we set out the criteria, to get a sense of how much interest there is across the country and who might be wanting to come forward to participate in it. We very much like these grants for a variety of reasons.

Ms. PINGREE. Great. Thank you.

Mr. ADERHOLT. Mr. Valadao.

EMERGENCY FOOD ASSISTANCE

Mr. VALADAO. Thank you, Mr. Chair, Mr. Under Secretary. We are hearing from communities in California's Central Valley that the drought is impacting economies and opportunities for work. Additionally, we have heard from Fresno Food Bank that they have already distributed their Emergency Food Assistance Program allocation for the year. With unemployment expected to spike in these areas and few farm-generated donations as a result of the drought, what options are there for increased emergency food assistance to the Valley?

Mr. CONCANNON. Thank you very much for that question. I am very mindful of and concerned with the challenges facing major regions of California because of the drought. We have been staying in contact with the State agencies through our San Francisco office throughout this. I know that in The Emergency Food Assistance,

TEFAP, Program, as we call it, California is slated to receive about $60 million currently for food assistance.

There will be, I am sure, additional so-called bonus buys or farm support buys later in the year, of which California would obviously receive some of that. And we are watching what is going on in that regard. Because if it comes to a situation where a Stafford Act declaration is made, where in effect the Secretary—the Governor says this is an emergency and it is found to be an emergency, then that would trigger the disaster assistance SNAP program, which is what we typically have done where we have natural disasters, like floods or hurricanes or tornados.

Mr. FARR. He has declared it.

Mr. CONCANNON. Has he declared it? So I would expect that that is—is that—have we received the appropriate request from the State?

Mr. VALADAO. It has been declared for——

Mr. CONCANNON. Pardon?

Mr. VALADAO [continuing]. Probably a couple of months now.

VOICE. There is not individual assistance. The regular program is responding currently to the drought and the need to cover that through the regular program.

Mr. CONCANNON. Through the regular program. Okay.

VOICE. Yeah. Yeah.

Mr. CONCANNON. The typical response would be through Cal Fresh, as it is called in California, the SNAP program. We have been working with the State on making sure that people find—who are eligible for it can apply for it, but there has not been a declaration or an invocation of disaster of SNAP up to this point in time? No.

MILK IN THE WIC FOOD PACKAGE

Mr. VALADAO. All right. Well, obviously, from my perspective, I think we should find a way to get the water turned back on so people can go back to work, I think that would be the easiest solution. But my next question, the dairy industry in California has suffered significantly during the past few years. Now with the drought, I fear California is losing its foothold in the American dairy industry. Representing the largest dairy district in the U.S., and being a dairy farmer myself, this question is especially important to me. Earlier this month FNS released their updated approved WIC foods list. A change in the list is that FNS will now no longer allow 2 percent milk unless it is prescribed for underweight participants or other special circumstances. WIC participants will now need to choose from 1 percent or skim, but not 2 percent. This is a pretty significant change—currently a pretty overwhelming majority of WIC participants buy 2 percent. FNS has issued further guidance saying that they will not enforce the change until October 1st. This is a pretty short time frame for States, processors and grocers to comply. Roughly 20 calories separates 1 percent and 2 percent. Why the change?

Mr. CONCANNON. The change was made basically to be more consistent with the dietary guidelines. For example, in the school-based programs, the milk is now either nonfat, nonfat in the case of chocolate milk or strawberry milk and white milk, and 1 percent

in white milk. We made that change in the school-based programs, and this is to make it consistent with that based on, again, dietary recommendations.

Mr. VALADAO. Who would do the prescribing and who would enforce it?

Mr. CONCANNON. It would be a physician, I would assume, or a health clinic saying this child needs—this child needs a higher fat content in his or her milk.

Mr. VALADAO. And would the grocery store clerk, as he is ringing up groceries, be the one to check out the prescription and approve the sale?

Mr. CONCANNON. No. They would have to approve that in the WIC food package that the family receives.

Mr. VALADAO. All right. Thank you.

Mr. ADERHOLT. Ms. DeLauro.

LIHEAP AND SNAP

Ms. DELAURO. Thank you very much, Mr. Chairman.

My apologies to Mr. Secretary.

And Administrator and Mr. Young, we are delighted to see you again. And I was—I heard my colleague, Ms. Pingree, speak about Secretary Concannon in Maine, and I want to talk about the Administrator in Connecticut. So thank you both very, very much for all that you do.

I want to make a quick statement and then get to my question on school meals, because I wasn't here earlier, but have just heard. I would like to just kind of correct the record on what I believe are misstatements on the seven States who have come up with the $20 that is required in a LIHEAP to allow families to access a more adequate SNAP enrollment.

First of all, I would just say bravo to them for doing this. And, in fact, yes, they are following the law, but I think what is most incredible to find out is that in a March 14th memo to Republican members of the House Committee on Agriculture from the majority Committee staff, the comment was that CBO arrived at the $8.6 billion savings estimate by making certain considerations about how States would respond to the $20 minimum LIHEAP payment. And it further goes on to say that, CBO's estimate reasons that some States would increase their minimum LIHEAP payment to $20 at least for a portion of their beneficiaries, thus the decision of these States to increase their LIHEAP payment does not affect the CBO estimate.

If anyone read Politico from last Friday, one would have seen that—and I quote, "Various media outlets have reported on the announcements of these States," says the memo, a copy of which was obtained by Politico. The press reports assume that the changing behavior of these States eliminates the savings estimated from the reforms included in Section 4006 of the Farm Bill. This is false. Fails to recognize CBO considerations included in the savings estimate. So what we need to do is to get to the facts of this issue.

SCHOOL MEAL STANDARDS

Now, let me move, if I can, quickly to school meals. And I think it is great that we have seen 90 percent of our schools are meeting

the updated nutrition standards for school lunch. Strongly support your efforts on the school meal standards. This is an incredible achievement, when you consider that only 14 percent of schools were meeting the school nutrition standards in 2009 and 2010. I just will show my colleagues the chart. There it is: 90 percent of our schools are doing something about healthy meals, nutrition, nutritious meals for our youngsters today, and that is what the goal is all about.

In connection with this, let me just—and I am going to fire three questions if you can just answer them for me. What is USDA doing to provide training, technical assistance to the schools to help them address the existing challenge?

I am also a strong believer in the direction that you are going on healthier snack foods in your smart snacks efforts. And there again, what is USDA doing to ensure schools are prepared for implementation of smart snack standards? Again, the training and technical assistance you are providing for them? And just a comment here is that youngsters are dealing with improved healthy snacks, as I understand it.

And then a comment on your community eligibility, how it will increase school meals and reduce the administrative burden on food service operations.

Mr. CONCANNON. Well, thank you very much for those questions. Let me start by saying the committee, I think, is aware that GAO recently released a report that concluded that, while there have been challenges in implementing the school lunch standards, school meals are healthier and challenges are expected to resolve over time as school food service and students suggest. Of note, GAO did not recommend scaling back any of the school meal standards. I just wanted to mention that.

We are providing technical assistance to State agencies and to schools. We have a fund, a national fund that was set aside to be able to use resources, I believe it was $100 million, and there is still about $43 million left to provide technical assistance to schools.

As you noted, just over 90 percent of the meals coming through right now are meeting the new 6-cents standard, but that is not to say we are done or we are through working with schools.

We have a wonderful contract with a group of behavioral economists up at Cornell University, and they have devised something called the smarter lunchroom. And when I go out visiting schools—I was in an elementary school in Philadelphia about 2 and a half weeks ago—I asked the school nutrition director, who was there that morning—I was there for school breakfast—are you using any of the recommendations from the healthier lunchroom? And she said, "Turn around". And as I turned around facing the food line, just sort of like the committee dais here, she said, "See where we have located the bowl full of fruit? See the lighting over there? See where the milk is placed? The white milk is out front, versus the flavored milk behind. These are basic ideas that have been shown to increase the consumption of the food."

And I did not mention earlier a recent Harvard study——

Ms. DELAURO. Right.

Mr. CONCANNON [continuing]. That looked at four schools and examined plate waste before the new meal standards and after found no increase in plate waste. Plate waste is a problem for all Americans. It is a plate waste problem in our own homes. It is a food waste problem—food that never leaves the field. It is a problem in schools. And we are very conscious of that. We want to—we continue to offer technical assistance to schools in that regard, and we are very encouraged by what we have seen.

And as was noted earlier, especially with younger kids, when I have been out at schools, I have had some marvelous experiences. A little girl in New Orleans noticing as I was getting behind her, she said, Sir, if you are not going to finish your broccoli, I will finish it for you. And I felt that was a good indication that we are winning with younger kids in particular. But we know it is a challenge. We know it is a change, so we are not giving up in any way, shape or form.

We have the National Food Service Management Institute that is working with schools around the country. We go to all their State and national meetings. And we are more than willing, those remaining school systems, we are very committed to bring them along. As I mentioned earlier in testimony, we have not financially penalized a single school in this country, saying you haven't quite done it yet. And 90 percent of the meals now are receiving that extra 6 cents based on achieving those new standards.

Mr. ADERHOLT. Mr. Nunnelee.

HEAD AND SNAP

Mr. NUNNELEE. Thank you, Mr. Chairman.

I understand there has been some discussion about SNAP and the new Farm Bill while I was over at another hearing, but I do want to follow up on this scheme that several States have enactment since the enactment of the Farm Bill. The Department says that it is appropriate to deliver those SNAP benefits only to those households that need them, yet we have got States that have responded by meeting this $20 LIHEAP threshold to make sure that families are getting food stamps that otherwise wouldn't qualify. Do you believe that this scheme undermines the integrity of the program?

Mr. CONCANNON. No, I do not. Respectfully, I do not. And what—by relying upon the LIHEAP provision, the law didn't prohibit it. It simply said States going forward must spend at least $20 per year of LIHEAP funds in order to have a family benefit or be able to apply the Standard Utility Allowance.

The major impact of that provision is not to make families eligible for the benefit; it is the amount of the benefit that is affected by it. And as I mentioned in earlier testimony, it averages about $96 per month per family averaged across the country.

And we know from food banks—I was in a food—several food banks in the last—up in the—meeting with food bank people up in Ohio this week, and the—or last week, I should say. And food banks are still seeing record numbers of people coming through, to church pantries and others. There are a lot of people struggling in this country, and I believe States that have elected—under the law, they haven't disregarded the law. We conveyed that law very care-

fully to them immediately and said, this law—parts of it kick in on the 10th of March. You need to be aware of it, and this is the stated language. But I would say—having been a State Commissioner, I advised Governors, not just Democratic Governors—and I would say, Governor, here is what the legal provision is federally, here is what the issues are in this State. What do you want to do? And we have seen that six or so, seven Governors have elected to say, we are going to spend the $20 because it will produce about $1,000 over the course of the year in food benefits.

And that is—if Congress wanted to prohibit that, it should have put language in saying you are prohibited from ever doing anything like this in the future. The language is very clear. It says if you spend $20, it triggers the benefit, and States are going to avail themselves of that.

Ms. DELAURO. That is bipartisan as well.

FRAUD IN SNAP

Mr. NUNNELEE. Reclaiming my time.

Last year, we talked about a benefit for all. And I pointed out that the SNAP applications may not clearly indicate the personal liability of an individual involving fraud. I understand these applications must include this information in prominent and bold face lettering. So since we met last year, have you reviewed the State applications to ensure they are in compliance with that provision?

Mr. CONCANNON. We have indicated to States—I am very concerned with fraud. The good news is that it is a very small percent of the program, but it is a small percentage of a very large program, so I don't have tolerance for trafficking or misuse of the benefit. And last week, I spent part of a day with undercover agents who work for us attempting to buy items that are unauthorized by the SNAP program. We continue to work at it. We have said to States we want them to put language prominently on that application to say trafficking or sale of benefits is against the law and there are serious penalties.

Most States, when people apply for a benefit, have some sort of an orientation program. That was certainly the case in the States in which I oversaw the program. And we want people to be aware, this program is there because you meet the qualification, but don't abuse it, because you could end up going to jail. As I mentioned in earlier testimony, last year alone, 42,000 persons were penalized across the country for—individuals—for misusing the program.

Mr. NUNNELEE. All right.

Thank you, Mr. Chair.

SNAP SAVINGS

Mr. ADERHOLT. I know the Department was in the process of finishing the fiscal year 2015 budget request when the Farm Bill was enacted. Given the timing, does your request include CBO-projected SNAP savings and program increases from the Farm Bill for fiscal year 2015?

Mr. CONCANNON. My understanding is it does. And it is about—the answer is yes, I have just been reminded, but when I looked at this material earlier, we are expecting—I should say that the number of households on the SNAP program has stabilized over

the past year. It has run in that range of 46.5 million to 47 million individuals, and we expect that if the economy continues to strengthen, to moderate, participation will be reduced. And there is an estimated savings in the bill in the SNAP account, and I believe it is about $800 million. It is in that range.

FARM BILL SNAP WORK PILOT PROJECTS

Mr. ADERHOLT. Let me switch over to the SNAP work pilots. The Farm Bill established a new SNAP work pilot program. It says the Department shall carry out up to 10 pilot projects designed to help more SNAP participants gain employment, work skills, education and training so they may become self-sufficient and transition out of SNAP. The goal is for a variety of pilots to be tested that represent a balanced approach across the country as well as amongst those States that may be more focused on education and training and those that are taking a work-first approach.

Do you know how many pilots FNS is planning to implement this year and what the time frame for implementing these programs would be?

Mr. CONCANNON. We are very excited about that provision, that $200 million, and it makes it available over a period of several years. This year, I believe it is about $10 million or so available. And I have spent a fair amount of time over the past year visiting State employment and training programs, asking our regions, "Who has a great program in your region of the country?" Because I am very interested in that from the point of view that, we know that work opportunities are not just a source of income, it is part of how we define ourselves.

And we have been consulting with other Federal Agencies, the Department of Veterans Affairs, the Department of Labor, the Department of Education, to say what else can we do to fully maximize whatever public funds are being spent in States or at the local level around employment and training? So we want to make sure that we make the fullest use of these in ways that result in more employment placements and sustained placements.

And, you know, I am mindful of the places that I have visited. Washington State in particular, I think, has a very strong program. I have seen strong programs in California where some of the counties make investments in employment and training programs. I have seen them in other—in Arkansas, other parts of the country as well.

So we are very anxious to make sure and we have designated a senior manager in the Food and Nutrition Service just to focus on employment and training, because it is really important to us. We know it is important to Congress. We know it is important to the Administration, but we want to fully exploit this in ways that make a difference in the lives of people.

Mr. ADERHOLT. Well, what is the process for ensuring that the various approaches of the States are equally represented, such as a work-focused approach compared to education and training focused?

Mr. CONCANNON. Well, we are going to look. We are going to pursue and try to encourage States that have different approaches in this regard, because the desire is to test different models. But at

the end of the day—one of the areas that I find lacking in many employment and training programs—there aren't sufficient data at the end of the day that show how many people actually got a job, and 6 months later, were they still employed? And so metrics or measures are really important to us in all of this. And we may end up with models that come—different models that come to us from different States—but we are going to look at it from the point of view of impact: How solid is this proposal going to be in terms of impacting and likely to place people in jobs?

Mr. ADERHOLT. Well, as you move forward on these pilots, you know, I think we would strongly encourage you to ensure that there is a balanced approach and that various approaches are tested, and we appreciate you keeping us updated as you make progress on that.

Mr. Farr.

ELIGIBILITY FOR NUTRITION ASSISTANCE

Mr. FARR. Thank you very much, Mr. Chairman.

And I applaud your outreach, because I know in California, only 53 percent of the eligible folks in California take advantage of the SNAP program. So there is a lot out there that could take advantage had they—if they know more about it and can become eligible. And I believe it is about one-third of the senior citizens in America who are eligible for TEFAP and other kinds of assistance take advantage of them. Most of them feel that, you know, they don't need to take advantage because somebody else needs it more, but they in themselves—I mean, I have seen people who have been working in our food banks, I have told this story over and over again, because I visit them all the time—who are working to distribute the food, who for the first time are coming in on the other side.

Mr. CONCANNON. Right.

Mr. FARR. People keep saying, Well, you know, I have seen you. I say, where have I seen you? And they say, because I used to serve, and now I am in an income level where I need to receive. And that is happening in America, and it is outrageous in our modern times.

WHITE POTATOES IN FNS FOOD PROGRAMS

But I would like to shift, because I am really interested in how we get the junk food out of our institutional feeding. And it is interesting, because it seems to me Congress would never order restaurants what to serve, but we do order in the nutritional programs what to serve. And how do—and then we—the food industry has been very good at being able to sort of package and make it simple so that even the people that—you know, you talk about food left on the plate. A lot of the new stuff, I mean, the fresh vegetables and everything, kids aren't used to eating that, so they leave it on the plate, but I think that is changing rapidly because their parents are now getting, and PTAs and school boards are now asking for the first time about what is being served in the cafeteria, not just what is being taught in the classroom, and that is a good move. But then comes along Congress and we decide, oh, guess what? We ought to order you to have to serve potatoes.

Now, you have been serving things based on what nutritional science tells you you should be serving. And last year, we put in a Bill ordering that you have got to sell—talk a little bit about this. This is the first time we have ordered you to have to serve something.

Mr. CONCANNON. Well——

Mr. FARR. I mean, don't we buy enough potatoes in all our food programs to satisfy the potatoe industry? Why do they have to ram it down our throats?

Mr. CONCANNON. Well, first, let me say we are big fans of potatoes, their nutritional value, we know it is very important to the American diet. It has a number of aspects, but——

Ms. DELAURO. Actually, it is good with sour cream and butter.

Mr. CONCANNON [continuing]. But what most people may be unaware of, fresh potatoes are the largest single vegetable bought in the SNAP program. We spend $1 billion a year—billion with a "b"—in the SNAP program purchasing potatoes. And the school meals program, the last study we had on school purchases, which is about 5 years old now, we are updating that study this year, showed that we spent, schools across the country on fresh potatoes, again, not the processed potatoes.

Mr. FARR. Not french fries.

Mr. CONCANNON. Not french fries, spent $235 million on potatoes. And then the TEFAP, or The Emergency Food Assistance Program that goes out to food banks across the country, spent about $40 million last year. I may be off by $2 million or $3 million. It is in the range of $40 million on potatoes. So we expend a considerable amount of money on potatoes. It is a very affordable product. It is very important.

Now, what you are referring to is in the WIC, the Women, Infants, and Children's program. We did not include potatoes in the diet of—recommended diet for WIC, because WIC by design is a prescriptive program. It is intended to prescribe the foods that typically a pregnant woman, a lactating mom or a very young child, has insufficient amounts of in that diet, and potatoes are not one of them. So that is where that advocacy comes from, the potato industry.

And I should say, even on that front, in the WIC program, which now serves just over half of all the births in the United States, 53 percent of WIC households participate in the SNAP program, so they have ample opportunity through SNAP to buy potatoes, but that isn't all. As Paul Harvey would say, there is more. There are vouchers that WIC households have to take to farmers' markets, and with those vouchers, if they so elect, they may purchase potatoes.

So we don't have a thing against potatoes. What we have is we championed those fruits and vegetables that are missing in a typical diet.

Mr. FARR. But Congress hasn't before ordered you to have to serve any particular commodity or product.

Mr. CONCANNON. Not that I am—not during my time, but we know Congress was sending a message to us in that regard. It was attached to a Bill.

HEALTHIER DIETS AND HEALTHCARE

Mr. FARR. Well, Mr. Chairman, I appreciate it didn't come out of this Committee. It came out of the full Committee. I mean, we didn't put it in our Bill. It got put in. And I would just like to say that, you know, in closing here, that when you were last here, we had photographs on this wall, but the Chairman has updated these photographs. And we had one on nutrition, a child in a cafeteria line, and I think she had pancakes on her plate for lunch.

Mr. CONCANNON. She did.

Mr. FARR. Look at the picture we have this year. It is kind of over there, over your left shoulder there, and you will see that the kids are eating all the stuff that you are recommending they eat.

And I think that the big battle, and I would love to spend a whole hearing on this, is how do we convert—because I think, frankly, the big discussion in America is to bring down healthcare costs. And bringing down healthcare costs is having people just be healthier. And we know that there are certain—just like oil operating an engine, that it has got to be based on nutrition and exercise, that those are two ingredients that are essential for a healthy body. And if we are in the biggest massive feeding program—and all of our institutional feeding, including our hospitals and our jails and our prisons and our schools and everything else and military, where you have institutional feeding—that if we could convert all of that with our buying power into making sure that everything there is nutritious and the American public learns that this is good for them and eats it so that we get away from just growing people that are going to be sick, and that is where our huge healthcare costs are.

So you are on the frontline, and I think this challenge is going to be huge, because the industry is fighting back, just like getting Congress to order us to serve potatoes to WIC moms.

Mr. ADERHOLT. Mr. Yoder.

GAO REPORT ON THE WIC PROGRAM

Mr. YODER. Thank you, Mr. Chairman.

Speaking of the Women, Infants, and Children program, the Government Accountability Office, in 2013, was quite critical of your Agency and their efforts to fairly and properly enforce the WIC program. It cited a number of inconsistencies and errors in terms of how States apply the standards of the WIC program that has led to over 53 percent of children born in this country to start on the WIC program and many more than would be eligible under Federal law.

We want to ensure, again, that benefits go to Americans and children and women who deserve them the most and ensure that the program integrity is upheld, and so the GAO was quite critical of FNS and their efforts to administer this program in a fair and impartial manner. And it says, over 60 percent of States use income only within the last 30 days, when the standard for WIC eligibility is annual household income. And States also allow only the income of the mother and child to be counted, instead of the income of every member of the household, which is standard. Many States have increased their eligibility thresholds beyond the 185 percent

of the Federal poverty level that the WIC program sets as the maximum threshold for eligibility. Apparently FNS for some years now has been collecting reports of State and local WIC agencies' compliance with Federal WIC policy, including income eligibility determinations, yet the GAO study finds that FNS has never examined these reports for State and local WIC agencies' compliance with Federal regulations, despite over one-third of the States having problems in this area, and that the last time FNS provided guidance to the States on income eligibility determination was in 1999.

How can FNS be assured of the integrity of the WIC program when it does not monitor State and local WIC agencies' compliance with Federal policies? So I would like to know, sir, what does FNS intend to do, what has it done with these reports, and how has it increased technical assistance and training to the States on income eligibility determinations, and what specifically will be included in eligibility determination guidelines for the States?

Mr. CONCANNON. Well, thank you very much for the question. And that was a report from GAO we took most seriously, and agreed with a number of the findings of that report and issued requirements in April of 2013 that said all States must be fully in compliance of a common way to assess the income eligibility by October 2013.

Furthermore, we required all of our seven regional offices across the country to go into every single State last year and do a management evaluation of the WIC program. That was in part prompted by the experience we had in two States, one California, one Georgia, where there were issues in the WIC program around vendor management. And furthermore, I should say that, as a result of the 2014 budget we are operating under right now, we have stood up—we have created a WIC integrity program just focused on WIC. Because I came to realize that it is a tremendous program in terms of its preventive health aspects, but we needed to pay very strong attention to both the program integrity side on the consumer eligibility side, but also once people were in the program, to make sure that, one, States were fully adhering to the requirements of the FNS. And I can say we are doing annual—we did annual management reviews, which normally would have occurred once every 3 or 4 years. Every single WIC agency across the country, every State agency was reviewed. They are now in compliance with that, so it is commonly—you wouldn't have one State considering your income in a different way than the next State over.

Mr. YODER. And so what have been the results, then, in terms of eligibility? Do you have numbers that show this has been successful in your efforts to respond to this report?

Mr. CONCANNON. Well, we know that States are complying with it. The eligibility side is, in part, a function of what goes on, one, how many births there are in the United States, and then, two, how many people's incomes fall below 185 percent of the eligibility.

Mr. YODER. I mean, sir, in terms of the application of the problem that——

Mr. CONCANNON. The common standards?

Mr. YODER [continuing]. The GAO found in the report that States were going beyond the Federal standard, which would obviously disturb everyone on this Committee, and obviously, it disturbed

you as well, sir. Has that been—so I know you said you have been reviewing that. Has that been fixed, then——

Mr. CONCANNON. Yes.

Mr. YODER [continuing]. And what has been the net result of that?

Mr. CONCANNON. The net result of that is that all States have to comply with a common application process no later than October of 2013. So that is already in effect right now. And those States are being reviewed now through management evaluations annually. Every State WIC agency last year was subjected to a management evaluation on all of our policies around—particularly around how they were managing their vendor issues and how they were adhering to Federal requirements in WIC.

Mr. YODER. Any reports or any sort of data or information that would give us some comfort to know that this has been resolved, that the GAO report has been properly responded to would be useful for us to ensure that we have done our fiduciary duty in making sure that that report was responded to, because I think everybody——

Mr. CONCANNON. Yeah.

Mr. YODER [continuing]. Was disturbed by that. So appreciate that.

Mr. CONCANNON. We will be happy to provide it to you.

[The information follows:]

WIC INCOME ELIGIBILITY

The Policy we issued effective in all States as of October 1, 2013, clarifies the Department's recommendation that current income be defined as income received by the household within the past 30 days. FNS has reinforced implementation of this policy with seven regional webinars. As a general rule, no State is using more than 30 days to define current income. USDA Policy implementation is validated during Federal on-site management evaluations and through USDA reviews of the annual plan of operations submitted by the State. I will be happy to provide a briefing to provide more detail about our WIC oversight efforts to ensure consistent income eligibility determination across WIC States and localities.

Mr. YODER. Thank you very.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Bishop.

VETERANS' PARTICIPATION IN FNS PROGRAMS

Mr. BISHOP. Thank you very much.

I want to change the script a little bit toward veterans' hunger. I know that FNS has continued to work very hard to make sure that our veterans and their families are made aware of potential benefits available to them, particularly since less than 1 percent of all of the SNAP programs and other nutrition benefits go to veterans.

As you know, there has been a real expressed concern on the part of some in Congress, and I am not necessarily in that group, that the FNS not engage in, quote, "promotion" of SNAP, WIC, school nutrition and other programs which are available to families or individuals who qualify.

How would you characterize the Agency's current activities targeting our veterans population and our military families? And do

you believe that you are, quote, "promoting," or should I say adequately educating the availability of SNAP and WIC benefits?

In Georgia, it has been estimated that less than 75 percent of Georgians who are eligible to participate in SNAP actually receive benefits.

How many veterans, including their families, do you estimate might be qualified for SNAP and WIC benefits but are not currently receiving those benefits? And shouldn't we be doing everything possible to proactively reach out to the men and women who serve our Nation and who do so much for us but yet are, particularly the lower ranks, are underpaid? And I say that and ask this question wearing another hat as co-chair of the Congressional Military Family Caucus.

Mr. CONCANNON. Yes. Let me start by addressing the veteran participation in the program, our estimate is 1.6 million veterans participate in the SNAP program, including, you know, active duty veterans, national guard vets, so there is a significant enrollment of veterans in the SNAP program particularly. I don't have the numbers on WIC, but we can certainly look for those, but SNAP in particular.

[The information follows:]

VETERANS' PARTICIPATION IN FNS PROGRAMS

U.S. Census data from 2010–2012 shows that 1.6 million (or about 7 percent of) veterans, and 250,000 (about 9 percent of) Reservists and National Guard members, receive SNAP.

Available data on the military status of WIC participants does not support a reliable estimate of the number of veterans that participate in WIC.

SNAP PARTICIPATION RATES

And I think your question is, I am sure, partly influenced by the Farm Bill that just passed which laid down some parameters in terms of the advertising or limitations on the advertising of SNAP and have said you can't advertise SNAP on television; you can't advertise it on the radio. I think that was in response to a media article that appeared here in the Washington area back a few months ago.

We have apprised States of those requirements that are in the law. But our approach—and we are now serving, I should say, across the country between 79 and 80 percent of the eligibles who meet the qualifications for SNAP—citizenship, legal residency, income eligibility—79 percent of those eligibles at a time when more people are eligible because of what is going on in the economy. That reflects work in States that are red States, blue States, right across the country. So we are serving a much higher percentage of eligibles than was certainly true of the many years that I served as a State director in different States.

Now, going forward, there are three groups of people in the U.S. that are typically eligible for the program who are underserved by it. Senior citizens, already referenced. About a third of the seniors in the country who qualify income-wise for the SNAP program actually receive it.

The second group of people that are eligible underserved are people who are working, because many people who are working assume that, because I am working, I am not eligible. Yet we now

have the highest percentage of people with earnings, as I mentioned in my testimony, in the SNAP program in its history. About 41 percent of individuals live in households where at least one of the adults is in the workforce, but they are getting part-time work. For example, there was a story here in the Washington Post of a woman working in a nursing home down in Tennessee but only getting 20 hours a week and making $9 an hour. That is not uncommon for those folks to, one, not realize they would be eligible. So that is the second group.

And the third group are Latinos; in part language, in part understanding, are they eligible or not?

So our approach, as defined in the law, is we want people to be able to make an informed decision. I am not going to try to persuade you to apply for the SNAP program, but I am going to educate you by saying, these are the eligibility criteria, and you may be eligible for the program. And if I am that senior citizen and—I say to that senior who says to me, "Well, you know, I know the program would help me, but I am afraid that if I receive it, it will displace a person who needs the help more than I", I am going to say to that person, "No, you can be assured that if you make that decision, it is your decision, it will not displace someone else." That is what I call an informed decision.

That is what we are urging States to do. That is our policy to the States. Help people make an informed decision, but you shouldn't be twisting their arm. You shouldn't be saying you should or shouldn't do this as long as they meet the eligibility criteria. That is what I would say in the case of Georgia, where 75 percent—that is close to the national average, is 75 percent of the eligibles are receiving the benefit.

Mr. ADERHOLT. Mr. Nunnelee.

HEALTHY FOOD IN THE USDA CAFETERIA

Mr. NUNNELEE. Thank you, Mr. Chairman.

Mr. Concannon, it is almost lunchtime. If I were to go to the USDA cafeteria right now——

Mr. CONCANNON. Yes.

Mr. NUNNELEE [continuing]. Would the lunch that would be on the menu there meet the requirements that we have on schools?

Mr. CONCANNON. You could easily—because the USDA cafeteria has been considerably upgraded in terms of the food quality in the last year or so. There is lower sodium in the meals, lower trans fats; you can't buy doughnuts there anymore. It is a considerably healthier cafeteria. Now, there are many, many choices, I mean, because there are not only the several thousand people who work in those buildings, but the public, it is one of the most commonly used by visitors to D.C. But it is a much healthier set of standards than was true in the past.

Ms. ROWE. And we are very pleased.

Mr. FARR. Better than our food, by the way.

Mr. CONCANNON. I haven't tried it up here.

Mr. NUNNELEE. Thank you, Mr. Chairman.

I yield back.

Mr. ADERHOLT. Ms. Pingree.

ACCESS TO HEALTHY FOOD

Ms. PINGREE. Thank you, Mr. Chair.

Thank you again for all your testimony today.

And I just want to talk about one more thing. A lot of my colleagues have been concerned about SNAP eligibility and LIHEAP questions, and you know, I do appreciate the need to make sure that we limit the fraud in the program. And I think you all work extremely hard to make sure that happens and that States implement these programs in the right way.

I personally have a lot of concerns that we don't fund SNAP at the level it should be funded and was deeply disturbed by the cuts in the Farm Bill that limited the resources available to help this program, particularly in our State, where I think there are a lot of, as you said, seniors and others who don't receive the program now, and it is very critical for particularly those people who go to work every day and don't have enough money to put food on the table.

So my concern with that is that we need to be interested in ways that we can make sure with the resources you have available that we are reaching as many hungry people as possible. And I appreciate your approach to the outreach. I am very grateful for the SNAP education programs as well as those programs that are now in the new Farm Bill and have been started, some of them before this, that stretch the SNAP dollar and make it go further when people buy healthier food from farmers. So I just want to ask about a few of those programs and their implementation.

The new Farm Bill includes the authorization for some of these critical programs. One is a program that provides Electronic Benefits Transfer—EBT—terminals to every farmers' market, a provision that ensures that community-supported agriculture—CSA's—can be accessed by SNAP recipients, funding for a program that will provide two-for-one, Double-Up Bucks to make the purchase of fresh produce at farmers' markets more affordable for SNAP beneficiaries. And I see Gus Schumacher in the room, who has been working on this I know for a very long time. So, I am very enthusiastic about these programs.

Again, they help people access more healthy foods. We have seen an increase in the number of farmers in our State, and part of it is because they are finding more markets for their farm produce, and a lot of it is locally. We are the Agriculture Subcommittee, and this, I think, is a win-win benefit.

EBT TERMINALS IN FARMERS' MARKETS

So I just want to hear a little bit more about the process of implementation of the EBT terminals for SNAP and WIC and farmers' markets, what challenges do you anticipate, and does the President's budget request for funding help ease some of the implementation issues that may come up in implementing these programs?

Mr. CONCANNON. Yes. Thank you very much. Let me start with farmers' markets. There are now an estimated 8,200 farmers' markets across the U.S. When I look back at the year 2000, where there were only several thousand farmers' markets, there has been

a huge expansion of farmers' markets right across the country, and aptly so. We are very keen on them for two reasons: One, they typically have fresh, locally grown foods, less processed food, and it puts dollars back into the local economy. Now, we have had an ongoing effort to enroll more farmers' markets in the SNAP program so that they can redeem benefits, and the latest count we have is 4,200 of the 8,200 or so farmers' markets and farm stands can process benefits.

We have a contract currently underway with the Farmers' Markets Coalition intended to do more missionary work, I call it, with farmers' markets. Farmers, growers—some of them can be quite independent. They remind me of fishermen in my part of the world. And so we want them to know of the value of being able to provide their produce, benefits or dairy, whatever it might be in local farmers' markets, so we are very much on that.

We are very much on the issue of aiding and helping farmers' markets obtain the necessary technology to be able to participate. And I am pleased to say both the technology is really improving rapidly, and it is a lot less expensive than some of the earlier devices that we were purchasing for farmers' markets.

And you asked about the $100 million that is in the Farm Bill, about which we are very excited, because it is intended to stimulate more healthy eating across the country. You know, without question, I believe it is going to impact farmers' markets, but it isn't limited to farmers' markets. And we are going to work with the—already committed—are working with the Agricultural Research Service and the National Institute of Food and Agriculture—NIFA—in another part of the USDA, that has more experience with competitive grants than is true of the Food and Nutrition Service, so that when people apply for these grants, there will be a consistent way to process them and to make sure that they are done timely.

And, finally, your question on Community Supported Agriculture—CSAs. Up to this point in time, our policy has been a CSA, if it is a not-for-profit, a household can use 2 weeks of their SNAP benefits to pay for CSA foods. The Farm Bill has said you may do the same, in effect, with for-profit CSAs, and we intend to have that provision effective for this growing season later.

Now, there are more elements about CSAs that are going to require regulation, so that is going to be longer, but immediately this summer, CSAs will be able to—individuals on SNAP will be able to use up to 2 weeks of their benefits, whether it is a not-for-profit or a for-profit.

Ms. PINGREE. Great. Thank you very much.

Mr. ADERHOLT. Ms. DeLauro.

SNAP PROGRAM INTEGRITY

Ms. DELAURO. Thank you very much, Mr. Chairman.

I wish Mr. Yoder had stayed for a moment. I think I just want to make this one comment about program integrity, where there really is emphasis here.

I am going to quote my colleague, who is the Ranking Member on the Agriculture authorizing Committee, that is Mr. Peterson, who last April said, "There is less fraud in food stamps than in any

government program. There is five times as much fraud in crop insurance than in food stamps."

I just point to the Crop Insurance Program, and I wish we could have a hearing just on the Crop Insurance Program and talk about program integrity. We indirectly subsidize, on average, 62 percent of farmers' crop insurance premiums. We reimburse insurance companies for 100 percent of their administrative and operating expenses. We adjust premiums in order to produce a 14 percent return for crop insurance companies. We take the riskiest crop insurance policies off the companies' books.

I would just say that—and there are no income threshold guidelines, asset tests, or anything else applied to that program. We would be well to look at fraud, waste and abuse in that program versus a food program.

WIC FOOD PACKAGE

Let me talk about WIC, if I might, for a moment. Can you give the Committee assurances that USDA will stand firm in protecting the scientific integrity of the WIC food packages? And this can be yes or no.

Mr. CONCANNON. Yes.

Ms. DELAURO. Okay. Thank you.

I would like to have unanimous consent to enter into the record a letter that comes from the American Academy of Pediatrics, Academy of Nutrition and Dietetics, National WIC Association, March of Dimes, Public Health Institutes, Center for the Science in the Public Interest, Bread for the World, and several others, where they have urged the Congress to oppose any effort to include language or policy riders in the 2015 Agriculture Appropriations Bill that would dictate the content of the WIC program.

I ask unanimous consent.

Mr. ADERHOLT. Without objection.

[The information follows:]

American Academy of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN

APHA
AMERICAN PUBLIC HEALTH ASSOCIATION

bread for the world
HAVE FAITH. END HUNGER.

Center on Budget and Policy Priorities

CENTER FOR Science IN THE Public Interest

eat right. Academy of Nutrition and Dietetics

FIRST FOCUS
CAMPAIGN FOR CHILDREN

FRAC
Food Research and Action Center

National WIC Association

march of dimes

PUBLIC HEALTH INSTITUTE

21 March 2014

The Hon. Tom Vilsack
Secretary of Agriculture
Jamie L. Whitten Federal Building
1400 Independence Avenue, SW
Room 200-A
Washington, DC 20250

Dear Secretary Vilsack:

We write to express our gratitude for the release of the Final Rule on Revisions to the WIC Food Packages, for the exciting changes included in the Final Rule, and for your courage in standing firm in basing the food package on science. We also applaud your intention to jump-start the next review of the WIC food package so that lingering questions posed by the potato industry can be resolved. Nevertheless, we remain tremendously concerned about ramped up Congressional efforts to intervene in the process of determining what foods are provided by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

We oppose any effort to include language in any legislation that would dictate the content of the WIC food package or require the inclusion of fresh white potatoes in the WIC food packages. Such a provision would override the sound scientific judgment of our nation's leading nutrition science experts who spent years studying what foods should be included in the WIC food package. Efforts to change the WIC food package because of pressure from the potato industry, or any food industry group for that matter, jeopardize WIC's effectiveness. Repeated efforts to include language in the FY 2013 and FY 2014 Agriculture Appropriations bills and the FARMM Bill were ultimately rejected. Still, potato industry supporters persist.

WIC is regarded as one of the most successful of all federal programs with a 72% public approval rating.[1] A significant body of research has consistently found that WIC contributes to healthier birth outcomes and improved nutrition, while reducing our nation's health care costs. An important reason for WIC's success is that the program provides a science-based food package to *supplement and enhance* the diets of women and young children, providing only foods that tend to be missing from their diets.

[1] Melman Group, American Viewpoint, Bipartisan Public Opinion Poll, November 2011.

As you know, it took over eight years to complete USDA's rigorous, science-based process to evaluate what changes should be made to the WIC food packages with the help of the Institute of Medicine (IOM). Among the IOM's 2005 recommendations to USDA was to provide vouchers that would enable WIC participants to purchase a variety of fruits and vegetables. The IOM did not include white potatoes as one of the vegetables that WIC participants could purchase through the program because white potatoes are the most widely consumed vegetable and WIC participants already consume them in recommended amounts. Thus, WIC participants' diets do not need to be supplemented with additional potatoes. USDA's final regulations, published this month, closely adhere to the IOM recommendations and are strongly supported by nutrition and health experts.

The potato industry argues that the 2010 Dietary Guidelines for Americans (DGA) have increased the number of recommended cups of starchy vegetables from the 2005 DGA and suggests that the USDA update the WIC food package regulations to reflect the change. The appropriate way to ensure that the WIC food package remains science-based is to engage the IOM to conduct another review of the latest nutrition science, including consumption data. We applaud you for taking that step by jump-starting the next review of the WIC food package. We know that you appreciate WIC's supplemental nature, providing the key nutrients that nutrition scientists have determined are lacking in the diets of low-income families. WIC does not, nor is it intended to, provide a full market basket of foods. Potatoes have never been included in the WIC food package, and WIC families are not prevented or discouraged from purchasing potatoes with their own resources or other federal nutrition benefits. In fact, we appreciate the commitment in the Final Rule to nutrition education that continues "to include white potatoes as a healthy source of nutrients and an important part of a healthful diet."

We urge you in the strongest possible terms to reject any effort to introduce political, non-science-based elements into the composition of WIC food packages. We urge you to stay the course and continue to depend on the sound scientific expert recommendations of the Institute of Medicine when considering changes to the WIC food packages. Millions of WIC mothers and young children are depending upon you.

If we may provide further information, please contact Martelle Esposito with the National WIC Association at mesposito@nwica.org or 202.232.5492.

Kind Regards,

American Academy of Pediatrics
American Public Health Association
Academy of Nutrition and Dietetics
Bread for the World
Center on Budget and Policy Priorities
Center for Science in the Public Interest
First Focus Campaign for Children
Food Research and Action Center
March of Dimes
National WIC Association
Public Health Institute

WIC FRAUD

Ms. DELAURO. Thank you.

You have addressed—and I think there is a yes to these questions about vendor fraud, and you have talked about Georgia. There was a problem in California. And you believe you have got these under control, these efforts?

Mr. CONCANNON. Yes.

EBT IMPLEMENTATION IN WIC

Ms. DELAURO. Thank you. EBT implementation will provide States the critical tools necessary to prevent these vendor fraud challenges in the future?

Mr. CONCANNON. EBT for WIC, yes, indeed. Yes.

BREASTFEEDING PEER COUNSELORS

Ms. DELAURO. I am going to try to move quickly on some other things here. WIC's Breastfeeding Peer Counselor Program, how did it fair under sequestration? Does USDA see this element as a program providing—does it see it as a return on investment?

Mr. CONCANNON. It is a fabulous program, and I am pleased to report for the first time in the history of the WIC program, we have more moms who are breastfeeding than are using infant formula.

ADEQUACY OF SNAP BENEFITS

Ms. DELAURO. Briefly, about the low-cost meal plan versus the thrifty meal plan for SNAP beneficiaries and the data that suggests that the health benefits and long-term medical costs are moving toward the low-cost meal plan.

Mr. CONCANNON. I——

Ms. DELAURO. Should we be moving in the direction of the low-cost plan versus the thrifty plan?

Mr. CONCANNON. It would require considerable additional resources is the biggest challenge there.

Ms. DELAURO. What can you tell us about research and what actions are underway at USDA to remedy the inadequacy of SNAP benefits?

Mr. CONCANNON. Well——

Ms. DELAURO. Institute of Medicine (IOM) came out with information that said the—documenting inadequacy of SNAP benefits and that is—in looking at more research.

Mr. CONCANNON. We are considering recommendations on ways to improve the adequacy of benefits for people in the SNAP program. Right now, they are based on the Thrifty Food Plan that is updated annually based on the cost of food, and we are looking at a variety of ways, but, again, we are very mindful of any changes in this regard, because of the significant population that depends upon the program would have significant budget impact.

SCHOOL BREAKFAST PARTICIPATION

Ms. DELAURO. Your opinion about mandating or providing incentives to schools to increase serving of alternative breakfast to increase participation?

Mr. CONCANNON. I don't have an opinion on that, I mean, directly on that. I can tell you that breakfast participation has increased tremendously. In October of 2010, there were 10.6 million children receiving breakfast at school. In November of 2013, there were 13.6 million children having breakfast. So the rate of breakfast participation has increased most significantly over the past few years, and I believe the community eligibility option will have a significant impact on breakfast participation as well as what we are seeing in more and more schools, the practice of breakfast in the classroom. Where I sat in a school out in Anne Arundel County, where a child—the teacher said, open your—they had boxes that were—or Ziploc bags with their breakfast brought in. And the teacher said, "When you are finished eating, open your reader." It was done very quietly. But teachers have become the biggest champions for it. Fewer kids missing school. There is research that shows breakfast and school attendance is stronger. Fewer kids going to the nurse's station. Fewer kids falling asleep. You know, kids learn better.

COMMUNITY ELIGIBILITY

Ms. DELAURO. Mr. Chairman, if I may, maybe it can only be for the record, because you referenced community eligibility, and I mentioned that in the first go-round of how we believe that that might be able to increase participation. So it is your sense that this—moving in that direction.

Mr. CONCANNON. Yes.

Ms. DELAURO. Well, we can talk further at another time about how that would work and how we would move in that direction. Thank you very much.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Before we conclude, I believe Mr. Farr's got another question.

REDESIGNING THE NUTRITION PROGRAMS

Mr. FARR. I would like to ask Ms. Rowe if it would be possible to help frame some language that we might use as report language on how you think the way we could ask you to essentially recommend how to redesign the administration of our programs, putting them under essentially two categories. The idea of community feeding, I mean, there may be a better way of summarizing this, like the WIC program, TEFAP and the SNAP program, and then the schools and institutions of how we may be able to look at that.

Someday, Mr. Chairman, it would be interesting to get the military in here and a lot of the first responders, because I know when I was on the fire lines, they don't allow the people in fire lines to have any of the soda pops with caffeine in them, because it is a dehydrator, and the last thing you want to do is get dehydrated when you are out in the boonies fighting a fire. So they have really got—they have nutritionists actually at the fire camps. I think some of our other Federal institutions may be even ahead of where we are in our programs. It would be nice to see what they are also doing.

So anyway, the idea of—I think that if we are going to administer these programs and look at these incredible administrative

costs and error rates and things like that, that there has got to be a smarter business way of doing this, of consolidating or collaborating better, and if you could suggest some language that we might throw back at you to report back to us, I would appreciate that.

[The information from USDA follows:]

REDESIGNING THE NUTRITION ASSISTANCE PROGRAMS

FNS shares your interest in ensuring that nutrition assistance programs can be run as efficiently as possible and avoid overlap and duplication. The programs are designed to work together. SNAP, and related block grants that serve Americans in some U.S. territories, provide basic assistance to meet the general food needs of low-income people. These are augmented by special assistance programs that either provide benefits to specific groups in special settings, such as schools, child care homes and centers, Indian reservations, and emergency feeding organizations, or offer benefits that meet particular nutrition needs, such as WIC and the farmer's market nutrition programs. As part of program delivery, we provide USDA Foods assistance that can be used to support the operations of other programs with nutritious, American-grown foods.

Because almost every program operates through partnerships with State and local organizations, the diverse structure of nutrition assistance allows us to tailor policies and program standards to best align with the needs of these partner organizations.

PROMOTING HEALTHIER DIETS

And then, lastly, I would also be interested in what your biggest struggle is in trying to convince kids to eat a healthier meal. I mean, I watch it with my own grandchildren. Things that they are exposed to were never on the shelves when I was a kid, so I never had that option. And I think that is the huge struggle, is to take this cultural shift. You know, everybody—it is really difficult. Everybody talks about diets, and the diet industry and the advertising in diets is a huge, multibillion dollar industry, and yet nobody is able to stay on a diet. So how do—what we are trying to do is get America to essentially, as a Nation, adopt a new dietary practice that is essentially the old traditional way in which everything was grown locally and processed locally. And I am just curious as to how you might think we might be able to address the budget this year to get a better bang for our buck.

Mr. CONCANNON. Well, just before I get to the budget question, I saw something when I was in Iowa a couple of weeks ago that I have been giving a lot of thought to. I was at a large grocery chain that is headquartered there but serves Midwestern States, eight of those States, and they have 235 stores in Missouri, Nebraska, the Dakotas, Minnesota, Iowa. They now employ 206 registered dieticians, 206. And I was in their flagship store where they have two full-time dieticians whose job it is to have a—they had a bar there, basically, a little kitchenette where they prepared easy-to-prepare meals that are healthier but were available to people. And they were encouraging medical practices in the area—when you identify somebody with high blood pressure, with diabetes or heading in that direction—send them over to our store, and we will take them through and point out to them, this is the kind of food that they ought to be eating. So they said—and I spoke to the Vice President, who said, we see our future as the dieticians in stores being as important as the pharmacist you see in stores.

So I think the fact that—and this is occurring up in New England up in the Hannaford chain, where they are much more focused on various ways of putting on shelf tags. For example, they use a star system in New England; they use the NuVal system out in the Midwest, where you can look at the tag and get a score, how healthy is this food. And I think we are heading in that direction—because those progressive chains recognize it is in their interests to keep their customer base healthy and coming back there. And I think we are going to see many changes that way, in addition to the government programs. I mean, it really has to be much more broadly proposed and influenced than just what we can do at the USDA, to be sure.

Mr. FARR. Thank you.

Thank you, Mr. Chairman, for your patience.

COMMUNICATION BETWEEN USDA AND THE SUBCOMMITTEE

Mr. ADERHOLT. Well, thank you for being here, Ms. Rowe, Mr. Concannon, and of course, Mr. Young.

I do want to close with one thing. There is a growing concern about the increased trend of lack of communication between the Department, FNS, and this Subcommittee. Too often we are hearing about FNS decisions from outside groups.

For example, we learned that the WIC moratorium in Georgia has been lifted but we have had no communication from FNS on this decision, even though there have been Members on both sides of the aisle that have been interested in this issue.

I am also concerned that this Subcommittee was not consulted before deciding the increased benefits to WIC participants as part of the WIC food package final order. Our Subcommittee provides 100 percent of the WIC program funding. The least FNS could have done is to talk to us before making that decision, and that would certainly impact our ability to fund the various programs within our Bill.

There should be no uncertainty on the oversight responsibility of this Subcommittee and the need for your Agency to inform us of critical matters in a timely fashion.

Let me just, in closing, ask what can we do to ensure better communication between FNS and our Subcommittee here on Agriculture?

Mr. CONCANNON. I appreciate your raising that issue with us, and we will redouble our efforts to make sure we are keeping you informed. I know there are several subjects at the hearing today that were raised that we will follow up with you to let you know what we are doing.

Mr. ADERHOLT. Okay.

Ms. ROWE. We do let Members know when we are taking an action in their jurisdiction, such as Georgia and other jurisdictions if there is a particular issue, but we can do a better job of making sure the full Committee is aware.

Mr. ADERHOLT. Yeah. It would be helpful. Like I said, there is concern about that lack of communication and so—and can be sometimes frustrating, so I hope we can work together on that.

And thank you for being here today, and the Committee is adjourned.

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD, NUTRITION, AND CONSUMER SERVICES
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
MARCH 25, 2014

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

Supplemental Nutrition Assistance Program (SNAP)

LIHEAP and SNAP

Mr. Aderholt: We have all seen the news articles citing that a number of states plan to circumvent the intent of Congress to close the loophole between LIHEAP and SNAP.

a. Is the Department reviewing state actions in response to the farm bill to see how LIHEAP funds are being used in connection with SNAP in the 16 states that used the heat and eat practice?

b. Do you have a process in place to certify that the states that are creating $20 LIHEAP payments only give such payments to households with legitimate energy expenses that would qualify them for the SNAP utility allowance?

c. Are you working with HHS to ensure Congressional intent is followed? Are you confident in their oversight and review of each state's LIHEAP program to ensure consistency with the new farm bill rules?

d. Is it sufficient for you to follow HHS's review of LIHEAP programs or will you do more?

Response: USDA has been actively reviewing State actions in response to the changes made by the Agricultural Act of 2014 (the Act) to the relationship between SNAP and LIHEAP. The USDA has exercised the Department's full authority to ensure that the new provision is implemented correctly, consistently, and in a manner that follows the intent of the law. The Act's legislative changes refined the link between a household's receipt of LIHEAP assistance and its eligibility for the SNAP heating or cooling standard utility allowance by requiring that the LIHEAP payment exceed $20 annually and have been received in the current or immediately preceding 12 months. Since these changes were designed to primarily impact the 17 States that had implemented nominal LIHEAP payments, USDA has worked closely with the 17 States in providing detailed implementation guidance, policy clarifications, and technical assistance. USDA has encouraged these States move forward with implementation in a manner that follows the intent of the law. In order to monitor each State's compliance and quickly address potential challenges, USDA has solicited regular progress reports and will continue these efforts moving forward.

As you are aware, LIHEAP is a State-administered program under the Federal oversight of the Department of Health and Human Services (HHS). States have the authority to determine how to use their LIHEAP funding, in accordance with that program's requirements. LIHEAP is not administered or funded by the USDA and USDA does not have the authority to regulate State's administration of LIHEAP. USDA has consulted with HHS in order to ensure

mutual understanding of the new requirements that now govern the SNAP/LIHEAP link.

SNAP Work Pilots

Mr. Aderholt: The farm bill establishes a new SNAP work pilot program. The Department shall carry out up to 10 pilot projects designed to help more SNAP participants gain employment, work skills, education and training so that they may become self-sufficient and transition out of SNAP. The goal is for a variety of pilots to be tested that represent a balanced approach across the country as well as amongst those states that may be more focused on "education and training" and those that are taking a "work first" approach.

a. How many pilots is FNS planning to implement this year, and what is the timeframe for implementation?

b. What will be the process for ensuring that the various approaches of the States are equally represented such as the work-focused approach compared to education and training focused?

Response: SNAP helps eligible low-income families put healthy food on the table. It also provides critical and needed employment and training (E&T) programs so that recipients can gain and retain meaningful employment. The SNAP E&T pilots established by the Farm Bill give FNS and States the chance to build on existing SNAP E&T programs and test some new approaches in order to determine the most effective ways to help SNAP recipients move toward self-sufficiency.

States interested in operating an E&T pilot project must submit an application by November 24, 2014. The Department has worked to increase awareness of this funding opportunity. We have reached out to State agencies directly to encourage a wide variety of strategies and approaches and we hosted a webinar on September 24, 2014, to explain the requirements and expectations for pilot projects. We have also coordinated with other Federal agencies, such as the Departments of Labor, Education, and Health and Human Services, and with workforce development experts to reach entities that might partner with State SNAP agencies in operating pilot projects. FNS expects to award funding for up to 10 pilots in February 2015. Projects will operate for up to three years, beginning in October of 2015.

FNS released a solicitation seeking a contractor to independently evaluate each pilot project. Proposals are due on October 14 and FNS plans to have this contract in place in advance of the selection of pilot proposals. The evaluation contractor will help ensure projects support rigorous study designs and methods necessary to provide credible and clear answers to the question of what works in moving SNAP recipients toward self-sufficiency.

FNS will ensure, to the extent possible, that pilot projects test the range of strategies outlined in the Farm Bill. This includes strategies that target SNAP participants with low skills, operate in both urban and rural communities, provide education and training activities or opportunities for rapid attachment to employment, and require mandatory or allow voluntary participation in work activities.

SNAP Advertising

Mr. Aderholt: When Secretary Vilsack testified, there was some discussion between the farm bill's statutory prohibition on SNAP advertising and outreach as compared to what the Department views as SNAP program education.

a. Can you give us some background information and examples as to what was occurring that facilitated Congress approving this change?

b. Can you provide us with specific examples of the activities that are prohibited by the farm bill as well as the activities that the Department might be continuing in what was referred to as "education"?

Response: SNAP is the nation's nutrition safety net for low-income families. USDA is committed to ensuring SNAP fulfills this mission by using Federal dollars appropriately and efficiently. The USDA takes seriously our responsibility to hold States accountable to SNAP eligibility criteria provided in the Food and Nutrition Act, ensuring that only eligible households receive benefits.

Allowable outreach activities help ensure that potentially eligible individuals are aware of SNAP financial and non-financial eligibility criteria and basic program information. Providing this type of educational information saves States and applicants time and money by focusing efforts on those most in need. In addition, educating potentially eligible households by providing basic program information assists them in making an informed choice about whether to apply and participate. As recognized in the Statement of Managers accompanying the Agricultural Act of 2014, this is particularly important for certain vulnerable populations such as the elderly, homeless, and disabled.

The Farm Bill made changes to allowable SNAP outreach activities, including a prohibition on recruitment activities and the use of SNAP Federal funds for radio, television, and billboard advertisements designed to promote SNAP benefits and enrollment. The USDA has long prohibited the use of Federal SNAP dollars for recruitment activities designed to persuade an individual who has made an informed choice not to apply for SNAP to change his or her decision and apply.

In accordance with the statutory changes regarding advertising designed to promote SNAP enrollment and benefits, on March 21, 2014, FNS issued an Implementation Memorandum which instructed States to immediately stop using SNAP Federal funds for any such advertising. In addition, the Farm Bill prohibited the USDA from using Federal funds for agreements with foreign governments designed to promote SNAP benefits and enrollment. The March 21, 2014, Implementation Memorandum directed all agreements with foreign governments to end immediately.

FNS discontinued its radio campaign in Fiscal Year 2013. No national radio ads providing information about SNAP has aired since that time.

Activities related to the partnership with the Mexican Embassy, which began in 2004, were minimal in recent years and FNS formally ended this relationship in 2014.

FNS is currently engaged in the rule making process to further clarify and codify these and other Farm Bill provisions in SNAP regulations.

SNAP Fraud

Mr. Aderholt: The OIG did an audit last year that raised concerns about FNS's ability to carry out effective oversight and enforcement activities related to retailer fraud. This Subcommittee has repeatedly directed FNS to permanently debar retailers found guilty of fraud, yet the report found some retailers were still participating in SNAP after being permanently disqualified. The OIG identified 586 store owners who were allowed to continue participating in SNAP at other locations after being permanently disqualified, and FNS had authorized 51 ineligible store owners who redeemed over $5.3 million in benefits since 2006.

a. How has FNS addressed OIG's concerns?

b. How will the new provisions in the farm bill help you fight fraud?

c. Your testimony mentioned the new initiative between FNS, OIG and state and local law enforcement. How is this initiative different from your other strategies to fight fraud?

Response: USDA has a zero tolerance policy on fraud. Rooting out waste, fraud and abuse is a top priority for this Administration.

Long before the OIG audit, FNS recognized the need to update its retailer management function, and by the time the audit started, FNS was in the midst of making major changes and improvements. The OIG audit does not include the significant retailer modernization work that FNS was undergoing at the time of the audit.

The retailer management function underwent a wholesale organizational change and was centralized into a single retailer operations division effective January 1, 2013. The organizational realignment has afforded FNS the ability to:

- Establish standard operating procedures that provide greater efficiency and consistent processes with clear lines of responsibility for all retailer management functions;
- Manage compliance nationally thereby enhancing FNS' ability to prioritize and target compliance efforts;
- Disseminate policy and provide training and other correspondence in a manner that reaches all staff uniformly; more than 60 training sessions on a broad range of retailer management topic areas have been held since the national organization was implemented.
- Establish a quality assurance process in the retailer management function to better evaluate data, identify trends, pinpoint areas of potential concern and make recommendations for improvement.

As of September 30, 2013, a total of 252,962 firms were authorized to participate in SNAP, an increase of 31 percent over the last five fiscal years. The number of retailer applications has increased significantly over the last five years. Despite this increased workload, FNS retailer management teams were appropriately focused on the timely authorization of retailers.

FNS authorization staff reviewed thousands of new applications using enhanced high-risk application review requirements and staff was able to better identify those owners who should not be participating in SNAP. In

fiscal year 2013, FNS nearly doubled the number of applications denied for business integrity reasons compared to the previous fiscal year.

In FY 2013, the owners of 2000 stores were sanctioned for violating Program rules. This includes over 1,200 stores that were permanently disqualified or sanctioned for trafficking violations.

FNS has also addressed several retailer compliance-related concerns in recent rulemakings. The final rule updating the definition of trafficking became effective on March 25, 2013. A final rule that revises retailer sanctions is a priority final rule for the next fiscal year. This rule will add significant monetary penalties to permanent disqualifications assessed against retailers who traffic, and raises the cap on monetary penalties.

Further, FNS acknowledges the need to protect other Federal agencies from bad actors and is currently developing protocols to consider for suspension and debarment retailers who are criminally indicted and convicted of trafficking violations. We are awaiting actionable suspension and debarment information from OIG.

With regard to the audit, in some instances, OIG incorrectly reported that FNS had made errors applying policy. OIG reported that 586 owners were allowed to continue participating in SNAP at other locations after being permanently disqualified. This is not an FNS error. As was the case here, it is possible for an owner to continue participating in SNAP under some circumstances. For example, if the owner was not directly involved in the trafficking and owned multiple authorized locations at the time of the violation, the remaining stores would not be affected by the disqualification. OIG also indicated that it had identified 90 instances in which FNS had authorized a firm in the same location where an earlier firm had been permanently disqualified; this is not an FNS error. FNS has no authority to bar a location from participation in SNAP; the authorization of a new owner after a bona fide change in ownership at a location where violations have occurred is permitted.

The retailer standards provisions of the 2014 Farm Bill provide tools to improve integrity as well as increased access to healthy foods in SNAP authorized retail stores.

USDA takes combating fraud among retailers authorized to redeem SNAP benefits very seriously. USDA continues to strengthen its anti-fraud tactics to exclude or remove the few bad actors who seek to exploit SNAP.

Two 2014 Farm Bill provisions require that authorized retailers make a business investment in SNAP. First, most retailers are now required to pay for EBT equipment, service and supplies. In addition, once regulations are promulgated, retailers will be required to have scanning equipment in lane for check out. Further integrity gains are expected when regulations are in place to limit use of manual vouchers (for conducting SNAP transactions) to disasters or EBT system failure with specific exceptions for a limited subset of retailers. With the implementation of these provisions, USDA expects to curb participation by those retailers whose primary aim is to commit fraud.

In another strategy designed to improve integrity, the Farm Bill adds parameters around the State option restaurant meals program to help ensure that the target population of elderly, disabled and homeless individuals are better served by those programs.

Finally, having a unique terminal identifier associated with SNAP transactions will positively impact integrity efforts.

This initiative differs in that OIG, FNS, and States are partnering on task force operations in three geographic high risk areas across the country to conduct joint investigations of both retailers and recipients suspected of trafficking. FNS undertakes a number of initiatives to take aggressive action against retailers, and works with our State partners to do the same for recipients. However, this initiative is a holistic approach to catch those trafficking and hold them accountable, acknowledging that it takes two parties, a willing retailer and a recipient.

Mr. Aderholt: How much of your budget has been spent on fraud prevention and detection efforts for Fiscal Years 2010 through an estimate for Fiscal Year 2014? How much funding is assumed in the FY 2015 request? Please provide a breakout for mandatory and discretionary funds.

Response: The budget line items that support retailer monitoring and fraud prevention and detection work at USDA are the Benefit and Retailer Redemption and Monitoring, the Retailer Integrity and Trafficking, and Payment Accuracy and Cooperative Services line items. These are all mandatory funding. Part of Web-based automation line supports recipient fraud efforts.

The resources in the Benefit and Retailer Redemption and Monitoring line are used to support compliance work, and retail investigators. In addition, this line item funds information technology contracts for systems development and maintenance associated with retailer management and fraud detection. The two largest systems funded from this line item are the Anti-Fraud Locator using EBT Retailer Transactions (ALERT) and the Store Tracking and Redemption System (STARS).

The Retailer Integrity and Trafficking line supports a "strikeforce" of retailer investigators as well as other activities that promote retailer integrity efforts.

The Payment Accuracy and Cooperative Services line supports staff dedicated to a wide range of integrity efforts including recipient fraud data mining.

A total of $9 million is requested in FY15 for retailer integrity to increase the numbers of investigators and compliance analysts to monitor SNAP authorized retailers.

Web-based Automation of Systems will support recipient fraud efforts, including State technology based anti-fraud activities and data mining.

SNAP Administrative Funds Directed at Retailer Integrity and Fraud Prevention
(dollars in thousands)

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimated
Mandatory Other Program Costs:						
Benefit & Retailer Redemption and Monitoring	$17,279	$19,396	$31,276	$29,169	$29,570	$33,600
Payment Accuracy and Cooperative Services	8,008	8,070	7,908	7,975	10,467	17,286
Web-Based Automation of Systems	0	0	0	0	7,256	7,100
Retailer Integrity and Trafficking	8,008	8,029	8,715	8,040	12,026	15,901
Total, Funds for Retailer Integrity and Fraud Prevention	33,295	35,495	47,899	45,184	59,319	73,887

SNAP Fraud

Mr. Aderholt: I understand that FNS has reengineered the process for authorizing and overseeing retailers into a centralized national structure. How has this new process assisted FNS in fighting retailer fraud? Are there any concrete results to date? What is the estimated dollar savings from this effort in the short or long term?

Response: USDA re-engineered the process by which it authorizes and oversees retailer participation in SNAP to maximize resources, gain efficiency, and improve efforts to fight fraud and ensure integrity.

Operational functions were centralized into a national, integrated structure in January 2013. Short term and long term savings will be realized through the effectiveness and efficiencies gained in this new centralized national structure which:

- Streamlines management and maximizes the use of resources to gain efficiency while improving our efforts to fight fraud and ensure integrity.
- Allows us to be more agile and utilize our resources in a more strategic fashion to maintain equitable workloads across the nation that fully support our program integrity efforts.
- Performs data mining and analyzes patterns in transaction data to better identify fraud and abuse.
- Identifies high risk areas to target increased focus and resources on program integrity efforts.
- Improves the quality and consistency of all retailer functions by more closely integrating operations with the development of policy, procedures, training, and systems.
- Improves communication and command structures to better respond to challenges in fighting retailer fraud.

- Improves the consistency in retailer operations policies and procedures with a higher level program integrity focus.

In addition to standing up a national retailer management organization, we continue to take full advantage of available technology, and enhance our policies and procedures in an effort to manage SNAP retailers in a manner that ensures the integrity of the Program.

Mr. Aderholt: Over the past few months, USDA has issued statements on actions or proposed actions to reduce trafficking and other forms of fraud in the SNAP program. Please provide a list of activities across USDA to reduce fraud in the SNAP program. Please include an explanation of how FNS is targeting and providing early oversight of stores most likely to traffic.

Response: Rooting out waste, fraud and abuse is a top priority for this Administration. USDA has zero tolerance for fraud. USDA works with State partners who have responsibility to identify bad actors and hold them accountable. USDA is using regulatory changes, developing tools, and providing technical assistance to strengthen States' ability in this regard. Fraud is not a static concept and we are always adjusting our techniques accordingly. USDA continues to implement aggressive measures to improve program integrity and detect and stop fraud. FNS has undertaken a number of measures to improve retailer oversight:

- Continued to enhance its SNAP Anti-Fraud Locator using Electronic Benefit Transfer (EBT) Retailer Transactions (ALERT) system, with new, more advanced technology and analytical tools. The ALERT system allows USDA to quickly implement fraud detection scans as new schemes are identified, utilize Geographic Information System (GIS) mapping to better target high-risk areas, and build new complex data models designed to significantly reduce the number of false positives.

- Updated SNAP policies and procedures to enhance our fight against bad actors, and established a "fight SNAP fraud" website to educate clients, retailers and the public about what we do and how they can help us in our efforts to fight trafficking.

- Updated retailer applications and improved the application review procedures to verify identity and assure business integrity. Additional research of high-risk stores is conducted.

- Raised awareness of criminal penalties for falsification of a SNAP retailer application.

- Established more stringent reauthorization documentation requirements for stores at locations where an owner was previously disqualified or that are considered high risk for other reasons.

- Issued proposed rules to suspend payment to retailers who engage in flagrant trafficking, implement additional integrity-related sanctions against violators, and, increase penalties against retailers who commit fraud.

- Issued a final rule updating the definition of trafficking to include stealing, indirect trafficking of benefits, and the intentional dumping of beverage contents from beverage containers requiring a deposit in

order to receive cash back. This rule also establishes reciprocal disqualification between SNAP and the Food Distribution Program on Indian Reservations so that clients that violate in one Program are not able to participate in the other.

- Put a national operations team in place to manage all SNAP retailer authorization, reauthorization, and monitoring and compliance activities.

- Continued to work with OIG and State Law Enforcement Bureaus to improve our efforts in fighting SNAP trafficking.

USDA has undertaken a number of measures to prevent recipient trafficking:

- Awarded $5 million in grant funds to identify, track and prevent recipient misuse of SNAP benefits. These grants will particularly help state agencies reduce SNAP trafficking, the exchange of benefits for cash or other goods or services.

- Awarded a grant to South Carolina to conduct a pilot FNS has initiated with the South Carolina State Attorney General's Office. The pilot is designed to improve outcomes in the prevention, detection, and prosecution of recipient trafficking.

- Initiated a business process re-engineering project with seven States nationwide to evaluate their business processes for identifying, investigating, and prosecuting individuals suspected of trafficking SNAP benefits. FNS is working with Onondaga County in New York, Pennsylvania, South Carolina, Milwaukee County in Wisconsin, Texas, Los Angeles County in California, and Kansas. FNS is using techniques to identify process improvements, as well as advanced analytics, to recommend strategies States can implement to prevent recipient trafficking and hold accountable those found guilty of program violations.

- Provided States with technical assistance and tools to help them monitor social media websites for attempts by individuals to buy or sell SNAP benefits online.

- Entered into a pilot Memorandum of Understanding (MOU) with the State of Michigan for State investigators to investigate trafficking attempts by clients and unauthorized businesses through social media.

- Worked with State partners to establish State Law Enforcement Bureau (SLEB) agreements, harnessing additional law enforcement resources to help with recipient fraud investigations.

- Partnered with USDA's Office of Inspector General to target three geographic high risk areas across the country for joint retailer/recipient investigations, bringing together federal and State law enforcement partners.

- Through OMB's Partnership Fund, FNS is sponsoring a project, called the National Accuracy Clearinghouse, to evaluate the feasibility of detecting and preventing duplicate participation in near real-time. Five States are participating in this project: Mississippi, Florida,

Georgia, Alabama, and Louisiana. The project includes an evaluation exploring the feasibility for expanding this nationwide, and comparing results to other national databases, such as HHS's Public Assistance Reporting Information System (PARIS).

- Pursuing regulatory changes and developing guidance and tools to strengthen the States' ability to identify recipient trafficking and hold those who break the rules accountable.

USDA has a number of projects we are pursuing to obtain more reliable data:

- Issued a survey in June 2014, to collect baseline data from States regarding the number of intentional program violations (IPV) disqualifications that occur as a result of trafficking and client prosecutions. FNS intends to incorporate this baseline data into an assessment to determine how we can strengthen the prosecution process.

- Have begun revising our state activity reporting system. In addition, we are adding new data elements to better assess how effectively States are conducting their anti-fraud responsibilities.

USDA is issuing regulatory changes in order to reduce recipient fraud:

- Issued a final rule to establish standards and expectations regarding State matching requirements to prevent ineligible people from participating in the program. The final rule mandated that States must conduct matches against persons in prison, those who are currently disqualified from participating due to past program violations, and deceased persons.

- In April 2014, published a final rule that requires States to send notices warning clients with excessive EBT card requests that they are being monitored. Cases suspected of fraud are referred for investigation.

- The 2014 Farm Bill requires States to submit an annual report to FNS verifying that the State did not issue benefits to individuals who are deceased or disqualified from SNAP as a result of an intentional program violation (IPV). FNS shall reduce State administrative funds by up to half if the State does not submit the report.

- The 2014 Farm Bill established a requirement for all State agencies to request wage data directly from the National Directory of New Hires (NDNH) at the time of eligibility determination. The NDNH is a national repository of employment, unemployment insurance, and quarterly wage information, and is managed by the HHS Administration for Children and Families

Improper Payments and Error Rates

Mr. Aderholt: FNS touts having the lowest payment error rates in SNAP history at 3.4 percent. But given the magnitude of the program, this equals $2.6 billion in improper payments. Of this amount, $2.1 billion is in overpayments to households.

a. How much has been repaid for fiscal years 2011, 2012, 2013 and 2014?

Response: FNS is very concerned about the issue of improper payments in SNAP, and continues to work vigorously with our state partners to address this issue and to further reduce improper payments. This is reflected by the fact that the 2013 error rate reached yet again a historic low of 3.2 percent. Collections of improper payments for 2011, 2012 and 2013*, which include both recoveries of overissued recipient benefits made by State agencies as well as collections effected through offset by the Treasury Offset Program total $1.3 billion. The breakout for the three years follows:

2011	2012	2013
$418.7 million	$450.1 million	$465.2 million

*2014 data not included, as these figures are preliminary and do not include 4th quarter recipient claims collections.

b. In your response to a similar question last year, FNS stated, "Overpayment amounts established and collected through the claims collection process are not the same as those identified in the sampling process by which error rates are calculated." Please explain this statement and the differences.

Response: The overpayment established and collected through the claims collection process represents the full overpayment to a household over a number of months. The overpayments identified by the quality control process are representative of only a snapshot of one month of eligibility for a household. The sampling and estimation procedures used to calculate the official payment error rates produce a statistically valid estimate of all improper payments, both overissuances and underissuances.

The quality control sampling process selects cases for review each month of the fiscal year. The quality control process determines if the household received an overpayment of benefits, an underpayment of benefits or the correct benefit amount for the sample month under review. Regulations require that FNS report any and all overpayments to the State Agency's claims collection office. The State examines benefit payments over a period of many months to determine the total amount of overpayment and the size of the claim.

Mr. Aderholt: I would note that the FY 2012 error rate, the lowest in the history of the program at 3.4 percent, was able to be calculated under the direct final rule which had established the error tolerance rate at $50. It would seem logical that error rates would decrease given a $50 margin for error that is not considered in calculating State agency official error rates. The 2014 Farm Bill changes the error tolerance rate.

a. Will FNS use the $50 error rate threshold in calculating the payment error rates for Fiscal Year 2013? When will the farm bill changes take effect?

Response: FNS used the $50 error rate threshold in calculating the payment error rates for Fiscal Year 2013. The farm bill changes will take effect in FY 2014.

SNAP Work Requirements

Mr. Aderholt: Please provide a table showing a breakout of how the employment and training funds were spent by each state to include fiscal year 2010 through 2013 actuals and plans for fiscal years 2014.

Response: The following charts reflect the Federal share of SNAP E&T outlays by State in fiscal years 2010 through 2013. Also included is the amount of Federal funds budgeted by States in fiscal year 2014. USDA provides 100 percent federally funded grants to State agencies annually for administrative costs of operating an E&T program. States that pledge to offer E&T services to all at-risk able-bodied adults without dependents (ABAWDs) are eligible for a share of the $20 million ABAWD grant. State spending on SNAP E&T beyond the 100 percent grant level is reimbursed at 50 percent. USDA reimburses States for 50 percent of spending for participant expenses such as dependent care and transportation.

The information is provided for the record.

[The information follows]:

FY 2010: Federal E&T Outlays

State Agency	E&T Grant	E&T ABAWD Grant	Federal 50% Administrative Reimbursement	Federal 50% Reimbursement for Participant Expenses
Alabama	$1,398,677	0	0	231,508
Alaska	235,652	0	31,463	34,660
Arizona	647,430	0	0	18,197
Arkansas	919,876	0	0	87,247
California	7,690,169	0	30,111,732	13,775,871
Colorado	2,268,826	1,240,310	108,394	104,531
Connecticut	468,564	0	515,061	11,196
Delaware	1,415	308,195	22,987	71,471
District of Columbia	258,536	0	401,590	266,370
Florida	7,096,935	0	234,295	275,880
Georgia	68,623	0	0	4,662
Guam	33,324	0	11,952	16,640
Hawaii	204,841	0	333,336	35,910
Idaho	179,830	0	17,081	9,824
Illinois	6,698,569	0	3,088,431	864,830
Indiana	1,477,405	0	2,725,224	29,280
Iowa	168,743	0	0	9,411
Kansas	381,374	0	0	40,751
Kentucky	11,215	0	0	0
Louisiana	1,640,911	0	0	307,907
Maine	208,067	0	0	1,003
Maryland	664,061	0	38,413	6,590
Massachusetts	1,579,378	0	1,671,682	0
Michigan	3,715,601	0	0	30,217
Minnesota	390,703	0	2,758,029	3,719,934
Mississippi	843	0	0	0
Missouri	2,797,796	0	0	520,113
Montana	283,223	0	134,290	39,123
Nebraska	628,714	0	10,289	8,765
Nevada	743,342	0	0	28,539
New Hampshire	158,917	0	132,339	18,989
New Jersey	691,472	0	12,559,844	1,936,631
New Mexico	663,331	0	191,788	855,163
New York	9,193,624	11,085,271	73,680,566	6,774,142
North Carolina	292,986	0	1,265,182	67,862
North Dakota	101,849	0	0	28,460
Ohio	3,972,592	0	127,215	3,714,018
Oklahoma	84,694	0	0	1,215
Oregon	2,105,598	0	0	352,157
Pennsylvania	3,734,851	0	6,412,483	21,161,140
Rhode Island	0	0	0	0
South Carolina	889,776	0	0	5,224
South Dakota	510,231	310,078	44,500	24,558
Tennessee	3,308,323	0	0	526,463
Texas	5,224,590	6,853,305	3,610,820	557,961
Utah	1,187,623	0	688,594	347,177
Vermont	800,000	0	4,408,009	6,000
Virginia	2,035,943	0	1,231,772	142,114
Virgin Islands	22,204	0	0	0
Washington	1,636,907	0	5,961,956	975,792
West Virginia	687,045	0	0	25,394
Wisconsin	854,845	0	2,606,673	645,584
Wyoming	52,604	0	0	6,840
National Total	81,072,648	19,797,159	155,135,990	58,723,314

Source: SF-269 Financial Status Report

FY 2011: Federal E&T Outlays				
State Agency	E&T Grant	E&T ABAWD Grant	Federal 50% Administrative Reimbursement	Federal 50% Reimbursement for Participant Expenses
Alabama	1,338,998	0	0	175,971
Alaska	194,395	0	47,063	46,826
Arizona	1,336,348	0	0	45,000
Arkansas	874,363	0	0	84,109
California	6,965,291	0	28,977,840	10,007,169
Colorado	2,809,870	1,318,638	256,104	163,517
Connecticut	524,498	0	924,254	8,637
Delaware	141,567	439,560	92,667	63,772
District of Columb	356,746	0	336,327	385,150
Florida	8,226,975	0	2	154,551
Georgia	51,266	0	0	682
Guam	35,403	0	15,998	34,482
Hawaii	230,229	0	386,525	41,853
Idaho	236,583	0	0	0
Illinois	6,698,569	0	2,551,512	860,035
Indiana	1,447,405	0	1,800,000	2,413
Iowa	209,379	0	23,326	8,708
Kansas	431,753	0	0	25,332
Kentucky	8,264	0	0	0
Louisiana	1,174,523	0	0	8,417
Maine	284,673	0	0	42,665
Maryland	955,935	0	42,525	4,513
Massachusetts	1,308,916	0	1,459,903	0
Michigan	3,404,198	0	0	18,016
Minnesota	419,449	0	3,692,260	4,374,059
Mississippi	49,709	0	0	0
Missouri	2,406,055	0	0	375,900
Montana	259,717	0	148,873	38,641
Nebraska	244,479	0	1,111	182
Nevada	709,416	0	0	39,620
New Hampshire	139,483	0	0	1,250
New Jersey	485,749	0	14,858,462	2,526,226
New Mexico	638,267	0	88,257	602,675
New York	8,917,124	12,380,952	79,272,324	8,498,509
North Carolina	201,672	0	818,970	65,272
North Dakota	94,789	0	0	14,150
Ohio	2,917,933	0	0	2,553,978
Oklahoma	83,798	0	0	7,663
Oregon	2,077,474	0	0	507,995
Pennsylvania	3,248,026	0	6,415,734	19,910,322
Rhode Island	147,322	0	0	0
South Carolina	2,019,653	0	0	5,361
South Dakota	469,981	221,644	0	50,597
Tennessee	3,141,110	0	0	401,054
Texas	4,893,848	5,494,151	3,839,520	655,750
Utah	1,153,564	0	1,048,845	531,975
Vermont	212,673	0	4,719,934	258,740
Virginia	2,137,737	0	1,232,643	92,701
Virgin Islands	50,000	0	32,245	0
Washington	3,228,366	0	3,620,696	768,049
West Virginia	717,832	0	0	26,898
Wisconsin	1,461,682	0	3,239,320	698,556
Wyoming	62,844	0	0	6,255
National Total	81,835,899	19,854,945	159,943,240	55,194,196

Source: SF-269 Financial Status Report

FY 2012: Federal E&T Outlays				
State Agency	E&T Grant	E&T ABAWD Grant	Federal 50% Administrative Reimbursement	Federal 50% Reimbursement for Participant Expenses
Alabama	1,360,879	0	0	186,813
Alaska	141,874	0	14,808	42,701
Arizona	1,600,523	0	0	74,508
Arkansas	744,141	0	0	90,570
California	6,756,258	0	29,133,852	10,494,662
Colorado	3,520,740	1,466,374	126,211	168,169
Connecticut	558,787	0	646,301	21,248
Delaware	50,000	447,761	70,394	5,731
District of Columb	466,096	0	293,206	494,317
Florida	8,489,200	0	0	159,933
Georgia	36,000	0	0	1,000
Guam	37,210	0	17,712	49,210
Hawaii	211,630	0	435,746	63,011
Idaho	167,800	0	0	21,100
Illinois	6,860,004	0	7,549,940	682,984
Indiana	1,499,697	0	221,188	240
Iowa	185,456	0	14,159	16,481
Kansas	403,678	0	0	41,577
Kentucky	6,662	0	0	0
Louisiana	1,602,279	0	0	71,004
Maine	283,215	0	0	44,746
Maryland	1,099,578	0	0	13,235
Massachusetts	1,046,775	0	1,063,158	0
Michigan	3,720,000	0	0	37,131
Minnesota	545,571	0	2,719,100	2,518,010
Mississippi	298,830	0	0	10,030
Missouri	1,909,822	0	0	261,338
Montana	262,464	0	135,169	35,331
Nebraska	29,187	0	0	753
Nevada	538,021	0	0	37,980
New Hampshire	48,554	0	0	2,551
New Jersey	618,489	0	16,425,492	2,445,160
New Mexico	627,424	0	136,288	769,945
New York	6,616,612	11,119,403	69,979,616	21,900,408
North Carolina	163,208	0	377,097	20,463
North Dakota	91,844	0	0	11,345
Ohio	3,241,357	0	0	1,108,480
Oklahoma	82,352	0	0	880
Oregon	1,890,396	0	0	360,188
Pennsylvania	2,985,214	0	4,388,298	13,326,182
Rhode Island	183,754	0	0	0
South Carolina	2,355,211	0	0	35,000
South Dakota	255,517	181,899	0	37,858
Tennessee	3,365,276	0	0	315,627
Texas	8,102,537	6,522,557	3,313,966	1,082,356
Utah	1,183,354	0	1,605,232	403,618
Vermont	219,344	0	4,766,374	352,395
Virginia	1,745,979	0	1,067,068	127,904
Virgin Islands	50,000	0	0	1,137
Washington	3,242,034	0	5,659,320	1,104,039
West Virginia	732,484	0	0	5,550
Wisconsin	1,669,407	0	2,996,608	678,997
Wyoming	44,338	0	0	675
National Total	83,947,062	19,737,994	153,156,303	59,734,571

Source: FNS-778 Federal Financial Report

FY 2013: Federal E&T Outlays				
State Agency	**E&T Grant**	**E&T ABAWD Grant**	**Federal 50% Administrative Reimbursement**	**Federal 50% Reimbursement for Participant Expenses**
Alabama	1,455,099	0	0	181,801
Alaska	124,045	0	2,491	31,015
Arizona	2,774,145	0	0	191,606
Arkansas	816,170	0	0	103,683
California	6,738,516	0	31,489,559	11,166,177
Colorado	3,491,902	1,388,175	444,912	229,886
Connecticut	561,029	0	468,104	3,820
Delaware	35,950	414,590	76,791	8,000
District of Columbia	154,057	0	547,118	470,868
Florida	8,739,523	0	0	294,808
Georgia	41,362	0	0	890
Guam	43,658	0	11,954	52,640
Hawaii	212,943	0	460,030	53,696
Idaho	261,251	0	93,340	174,611
Illinois	5,399,346	0	9,506,547	735,487
Indiana	227,480	0	0	9,565
Iowa	265,191	0	0	36,708
Kansas	340,890	0	0	41,182
Kentucky	15,354	0	0	0
Louisiana	1,654,266	0	0	36,445
Maine	371,433	0	0	47,554
Maryland	1,028,000	0	187,648	8,606
Massachusetts	936,775	0	859,504	0
Michigan	4,341,352	0	0	40,312
Minnesota	681,192	0	2,700,861	2,558,015
Mississippi	384,579	0	0	17,958
Missouri	1,288,026	0	0	159,913
Montana	255,730	0	137,878	34,676
Nebraska	73,753	0	0	1,309
Nevada	590,811	0	0	25,654
New Hampshire	68,618	0	0	1,626
New Jersey	558,182	0	15,144,099	2,569,778
New Mexico	553,002	0	0	271,178
New York	4,960,666	10,282,776	65,003,495	17,535,395
North Carolina	425,998	0	263,009	13,272
North Dakota	94,790	0	0	6,170
Ohio	3,510,129	0	2,130,157	1,292,740
Oklahoma	81,470	0	0	1,030
Oregon	2,189,664	0	118,097	319,697
Pennsylvania	2,411,810	0	4,234,706	4,667,130
Rhode Island	275,111	0	275,918	0
South Carolina	2,247,332	0	1,147,157	39,105
South Dakota	305,824	185,572	0	24,681
Tennessee	3,145,398	0	0	321,934
Texas	5,956,945	6,306,561	4,158,231	1,048,616
Utah	632,659	1,079,692	1,198,367	160,932
Vermont	225,961	0	4,529,408	428,613
Virginia	1,490,452	0	1,134,968	124,601
Virgin Islands	0	0	0	0
Washington	3,989,664	0	9,091,877	1,594,066
West Virginia	517,422	0	0	3,113
Wisconsin	1,585,705	0	3,462,116	550,746
Wyoming	20,120	0	0	0
National Total	78,550,750	19,657,366	158,878,342	47,691,308

Source: FNS-778 Federal Financial Report

FY 2014: Budget Projection				
State Agency	**E&T Grant**	**E&T ABAWD Grant**	**Federal 50% Administrative Reimbursement**	**Federal 50% Reimbursement for Participant Expenses**
Alabama	1,708,513	0	0	225,000
Alaska	202,343	0	32,300	17,700
Arizona	3,489,913	0	0	210,000
Arkansas	857,988	0	0	104,155
California	7,289,733	0	34,999,787	11,943,380
Colorado	975,655	1,371,681	1,954,778	226,009
Connecticut	688,938	0	414,151	31,952
Delaware	241,881	530,974	70,114	21,896
District of Columbia	180,852	0	754,361	507,450
Florida	9,896,687	0	0	500,000
Georgia	2,160,695	0	20,500	2,460
Guam	50,000	0	9,023	58,940
Hawaii	230,225	0	440,874	73,176
Idaho	286,580	0	294,260	249,992
Illinois	5,309,682	0	10,712,702	1,013,202
Indiana	1,791,467	0	0	58,500
Iowa	202,999	0	0	66,588
Kansas	659,791	0	0	47,814
Kentucky	1,928,719	0	0	300
Louisiana	1,748,682	0	0	150,855
Maine	501,390	0	0	50,000
Maryland	1,260,461	0	404,434	16,383
Massachusetts	1,084,272	0	1,445,427	188,327
Michigan	4,029,939	0	0	38,100
Minnesota	652,660	0	2,712,500	2,569,750
Mississippi	1,360,978	0	0	124,500
Missouri	1,633,968	0	0	209,574
Montana	272,068	0	165,503	41,475
Nebraska	243,527	0	7,640	20,637
Nevada	613,618	0	0	43,677
New Hampshire	210,109	0	12,500	4,080
New Jersey	803,699	0	16,248,349	2,900,255
New Mexico	795,496	0	0	453,510
New York	5,274,081	10,796,460	109,903,000	26,650,000
North Carolina	3,559,556	0	0	50,400
North Dakota	77,910	0	0	11,290
Ohio	3,575,424	0	5,000,000	4,151,846
Oklahoma	864,672	0	0	3,800
Oregon	2,254,494	0	564,239	422,296
Pennsylvania	2,744,977	0	1,729,658	6,796,000
Rhode Island	307,361	0	0	0
South Carolina	2,166,029	0	8,915,791	150,000
South Dakota	202,767	353,982	0	61,348
Tennessee	2,040,566	0	0	136,850
Texas	5,790,731	5,840,708	3,589,362	1,000,000
Utah	598,494	1,106,195	1,728,000	513,000
Vermont	231,195	0	4,705,404	653,096
Virginia	2,322,449	0	1,135,695	278,750
Virgin Islands	50,000	0	7,500	4,800
Washington	2,184,702	0	11,460,122	2,464,907
West Virginia	611,880	0	5,310	15,063
Wisconsin	1,727,380	0	7,090,173	1,788,311
Wyoming	51,804	0	5,350	0
National Total	90,000,000	20,000,000	226,538,807	67,321,394

Source: Statutory Formula Allocations and FNS-366A Program and Budget Summary Statement

SNAP Program Information

Mr. Aderholt: Please provide a table showing SNAP participation and unemployment rates to include fiscal years 2010 through 2014 estimates. Also, add a column that shows total benefit costs to include the ARRA component as well.

Response: The information is provided for the record.

[The information follows:]

Supplemental Nutrition Assistance Program (SNAP)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*
Average Monthly Participation (Millions)	40.3	44.7	46.6	47.6	46.6
Total Benefit Costs (Billions)	$64.7	$71.8	$74.6	$76.0	$70.3
Unemployment Rate	9.7%	9.1%	8.3%	7.8%	6.5%

*Administration projection

Affordable Care Act Nutrition Program Studies

Mr. Aderholt: It is anticipated the Affordable Care Act (ACA) will affect participation in USDA's nutrition programs. You have reported that studies will be conducted to look at the ACA's impact on SNAP and WIC. Please provide the Subcommittee with a status update on these studies. Previously FNS projected a small impact on nutrition programs due to the ACA. Has this prediction changed? Please explain.

Response: The Affordable Care Act (ACA) is the largest health care reform undertaken in the U.S. since the establishment of Medicare and Medicaid, and provides critical access to healthcare to many of the same low-income populations that participate in SNAP and WIC. To better understand the linkages with the ACA, FNS launched a study and two white papers to determine the impact of the ACA implementation on participation in these programs.

The SNAP study, initiated in September 2012, was to examine the impacts of ACA and the expansion of Medicaid on SNAP State Agencies and program participation, with a focus on the first year of implementation. However, significant delays in the launch of the study linked to the volatile situation with regard to State Medicaid expansion choices ultimately led the government to terminate the study for convenience before data collection began.

Two white papers investigating the potential impact of the ACA on WIC are currently underway to provide a better understanding of impacts affecting WIC eligibility and enrollment. The papers are expected to be complete and ready for release in early 2015.

FNS has continued to see only small impacts on participation in FNS nutrition programs due to the ACA. FNS will continue to monitor participation figures in the coming year to detect any lagged effects of the ACA implementation.

SNAP Restaurant Program

Mr. Aderholt: Please provide the Subcommittee with the current status of the fast food option allowable for certain recipients of the SNAP program. Note any changes over the past year and any plans for changes to allow prepared foods to be consumed with SNAP benefits.

Response: Restaurant Programs are State administered, run at State option, and are available by law only to the limited population of homeless, elderly and disabled. States that implement this option sign a contract with restaurants to participate in their Restaurant Program. Federal rules require States with Restaurant Programs to establish a solution that assures only eligible clients may use their benefits at participating restaurants. Only once the State has a contract with a restaurant does FNS authorize them to accept SNAP benefits.

The Agricultural Act of 2014 includes provisions requiring SNAP State agencies to submit documentation that participating restaurants are in areas where the target population is underserved, the manner in which the State will ensure that only eligible populations are served, and an annual report detailing whether the program met the established need. An additional provision gives the Secretary further authority to set program parameters. USDA will implement these provisions through regulations. The additional requirements will serve to strengthen oversight. A proposed rule implementing the requirements of the Agricultural Act of 2014 is currently slated to be published in the spring of calendar year 2015.

California and Arizona currently operate State administered Restaurant Programs serving their elderly, homeless, and disabled populations. In 2009, Florida began operating a pilot program in one county. To date, Florida has not expanded that pilot. Rhode Island began a limited pilot restaurant program on August 1, 2011. Michigan ended their program in August 2013.

Less than one-tenth of one percent of SNAP benefits were used in restaurants in fiscal year 2012.

Healthy Incentives Pilot

Mr. Aderholt: When do you expect Congress will receive the final report on the Healthy Incentives Pilot (HIP)?

Response: The final report was released in September 2014, and is currently available on the Food and Nutrition Service website at http://www.fns.usda.gov/hip/healthy-incentives-pilot. Hard copies are being delivered to committee leadership.

Mr. Aderholt: Please provide a table showing FDPIR participation levels from fiscal years 2010 through 2014.

Response: Response: The information is submitted for the record.
[The information follows:]

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS
PARTICIPATION LEVELS

Fiscal Year	Average Monthly Participation
2010	84,577
2011	77,827
2012	76,535
2013	75,608
2014 (est.)	85,617

*FY 2014 estimates are preliminary based on data through June 2014.

SNAP Elderly Participation

Mr. Aderholt: Please provide the Committee with a status of the Administration's efforts to use leads data from the Social Security Administration to increase participation in SNAP among elderly beneficiaries of the Medicare Low-Income Subsidy (LIS).

Response: Demonstration projects were awarded to three States, New Mexico, Pennsylvania, and Washington, in September 2010 as was a contract to evaluate the impacts of the projects. The schedule required States to implement their projects in fiscal year 2011 and operate them in FY 2012 and 2013 with a planned shutdown at the end of fiscal year 2013.

The evaluation used FY 2014 to assess the pilot experience of SNAP participants from the demonstrations. The Department intends to complete analysis of collected data and prepare a final report by the end of calendar 2014.

Special Supplemental Nutrition Program for
Women, Infants and Children (WIC)
WIC - Management Evaluations

Mr. Aderholt: Last year I believe Ms. Rowe testified before this Subcommittee that FNS was in the process of conducting a WIC management evaluation of all state agencies in response to concerns with vendor management and food cost containment. The FY14 House bill included report language asking for an update on this process to know what FNS is finding in regards to states managing the program.

a. Where is FNS in this process?

Response: As of September 30, 2014, FNS' Regional Offices have conducted Vendor Management, Management Evaluations (MEs) on all geographic State agencies with retail food delivery systems (49), as well as Puerto Rico and the Virgin Islands. Of the 51 MEs that have been conducted, ME reports have been finalized and sent out to 26 WIC State Agencies. The remaining reports are currently in the process of development and clearance. Of the 26 MEs reports sent to state agencies, 15 MEs are closed, which means that all required corrective actions have been submitted to and approved by FNS. FNS will continue to work with WIC State agencies over the next several months to ensure that all necessary corrective actions are implemented and MEs are closed.

b. Have any more states had vendor management or cost containment problems, and if so, what steps are being taken to correct violations?

Response: Several WIC State agencies received findings related to vendor management or cost containment issues, but the number and severity of these findings does not indicate there are serious, widespread vendor issues identified. FNS' Regional Offices are working directly with State agencies that received findings related to vendor management or cost containment in order to address and correct all issues that were identified through MEs.

One State agency, Louisiana, was identified as having a vendor management and cost containment system that was in need of immediate action in order to meet Federal regulations and to achieve FNS' cost containment goals. FNS staffs have been working closely with Louisiana WIC staff in order to plan and implement improvements. Several key improvements were implemented in the last three quarters of FY 2014 and several more are scheduled for implementation in the first quarter of FY 2015. FNS will continue to work closely with Louisiana WIC to ensure the State Agency makes the necessary improvements to its vendor management and cost containment system.

c. Has FNS or any State issued vendor moratoriums, other than California?

Response: The only new State to issue a vendor moratorium as a result of issues discovered during the WIC vendor MEs is Louisiana. The State initiated the moratorium in October 2013. On May 2, 2014, USDA notified the State Agency that the State's moratorium is now a Federal moratorium and must remain in effect until USDA determines that the necessary improvements have been made to Louisiana's WIC vendor management and cost containment system.

d. Last year FNS reported that it had engaged a contractor to examine WIC vendor management practices. Has a final report been issued? How will this information be utilized to help FNS and States do a better job in vendor management?

Response: FNS is currently managing several studies related to WIC vendor management. Details of these studies are below:

- In 2012, FNS contracted to do a study of WIC High Risk Vendor Indicators for WIC electronic benefit transfer (EBT). As fraud in an EBT environment is different from fraud with the traditional paper WIC food instrument, this study will examine EBT data to identify irregularities that might be used as high risk vendor indicators. The final report on this study is scheduled for release in 2015.

- In 2013, FNS initiated a Vendor Peer Group Study that will provide best practices and a potential model for State agencies to use in setting up their peer group systems. The final report on this study is scheduled for release in 2016.

- On November 29, 2013, FNS released the final report of a WIC Vendor Management Study that examined the management of WIC retail food delivery systems to determine the extent to which WIC-authorized retail grocers (WIC vendors) adhere to program rules. This study was part of a larger FNS effort to ensure WIC program integrity and to comply with the Improper Payments Elimination and Recovery Act of 2010 (IPERA), which requires FNS to estimate and report improper payments. The report estimates that the vendor improper payment rate for WIC is 1.47%. Eighty percent of improper payments are undercharges, while 20 percent are overcharges. Thus, the net value of payment errors is a savings.

- In FY 2014, FNS initiated a WIC Vendor Management EBT study. The Healthy, Hunger-Free Kids Act of 2010 requires WIC to transition to EBT benefit delivery by October 1, 2020. The nature of vendor errors, overcharging, and fraud under EBT are fundamentally different from these kinds of activities under the traditional paper WIC food instrument. This study will augment the 2013 WIC Vendor Management study by examining compliance issues and rates of violations among vendors in States with an EBT system. The final report on this study is scheduled for release in 2016.

WIC Fraud

Mr. Aderholt: I have seen news articles reporting instances of WIC recipients selling WIC-purchased formula and baby food on social media swap sites. What new strategies or activities is FNS engaged in to stop this intentional program violation?

Response: Any form of participant fraud and abuse, such as using WIC benefits in any way other than the method and purpose for which they were intended, violates Federal WIC regulations and constitutes a participant violation. FNS expects all State agencies to sanction and issue claims against participants for all program violations.

FNS has taken several actions to address selling of WIC benefits:

- Issued a policy memorandum clarifying selling or offering to sell WIC benefits in print or online is a program violation that can result in disqualification and a claim against the individual.

- Issued a policy memorandum encouraging State agencies to put the USDA OIG hotline number and website on all food instruments or accompanying folders or sleeves so that participants could more easily report incidents of suspected fraud, waste or abuse.

- Wrote to social media sites (Amazon, Ebay and Craigslist)seeking their cooperation in putting warnings up about the inappropriate sale of infant formula or other foods received through the WIC Program. Amazon and Ebay posted warnings on their sites advising that selling WIC benefits is a violation of federal rules.

- Sent WIC local agencies the USDA OIG poster that includes information on reporting program violations.

WIC Eligibility

Mr. Aderholt: To become eligible for WIC, USDA's website states that an applicant's gross income must fall at or below 185 percent of the U.S. Poverty Income Guidelines. Through "adjunctive eligibility" someone can automatically qualify for WIC if she qualifies for another entitlement program such as SNAP or Medicaid. For Medicaid, some states have increased income thresholds up to 300 percent of the poverty guidelines. For a family of four, that is $71,550.

a. How many States are allowing WIC participants into the program at 300 percent of poverty, based upon Medicaid, versus the statutory requirement of 185 percent of poverty?

Response: The District of Columbia has an income limit above 300 percent of the Poverty Income Guidelines for Medicaid for all children less than five years of age and for pregnant women. Five States (Hawaii, Maryland, New Hampshire, New Mexico, and Vermont) have income guidelines at or above 300 percent for all children under the age of five. Two States (Iowa and Wisconsin) have income guidelines at or above 300 percent for children under the age of one and for pregnant women.

Mr. Aderholt: In April 2013, FNS issued guidance to WIC state agencies regarding income eligibility determination. States were to comply with the guidance by October 1, 2013. What is the process for ensuring that all WIC state agencies are following the guidance? Are any states not in compliance? If so, how is FNS following up to ensure states adhere to the guidance?

Response: As of October 1, 2013 all State agencies are in compliance with the guidance. Management evaluation reviews will be used to ensure State agencies continue to adhere to the guidance. Beginning in Fiscal Year 2015 and continuing through FY 2016, FNS intends to conduct a Certification/Eligibility management evaluation review of every WIC State and Indian Tribal Organization.

Mr. Aderholt: Please provide the Committee with a table showing each state agency's gross income limit for WIC eligibility, and if applicable, which other assistance program may be used to convey adjunctive eligibility, such as SNAP, Medicaid, TANF, or any other State-administered program.

Response: The Child Nutrition Act of 1966, as amended, requires WIC State agencies to accept as income-eligible for WIC any applicant who documents that s/he is certified as fully eligible to receive SNAP, Temporary Assistance for Needy Families (TANF), or Medicaid benefits; who is a member of a family that is certified as eligible to receive TANF; or who is a member of a family in which a pregnant woman or an infant is certified as eligible to receive assistance under Medicaid. Broad-based categorical eligibility is a policy that makes most households categorically eligible for SNAP because they qualify for non-cash TANF or State maintenance of effort (MOE) funded benefits. While an individual who applies for WIC and is not receiving SNAP, TANF, or Medicaid may not be certified if the household income exceeds 185 percent of poverty, State and local agencies are required by law to consider recipients of these three Programs to be adjunctively income eligible for WIC even if their household income is greater than 185 percent of the federal poverty level.

The information is provided for the record. The percent of the federal poverty level based upon Modified Adjusted Gross Income (MAGI) groups is provided rather than gross income limit because the gross income limit varies based on the number of family members.

Percent of Federal Poverty Level (FPL) based on MAGI Groups as of 7/14

State	WIC % of FPL	Medicaid or CHIP % of FPL Pregnant Women	Medicaid or CHIP % of FPL Children Ages 1-5	Medicaid or CHIP % of FPL Children Ages 0-1	Gross Income Limit for TANF/MOE
Alabama	185	141	141	141	130
Alaska	185	200	203	203	130
American Samoa	185	N/A	N/A	N/A	N/A
Arizona	185	150	141	147	185
Arkansas	185	200	211	211	130
California	185	200	261	261	130
Colorado	185	250	142	142	130
Commonwealth of N. Mariana Islands	185	N/A	N/A	N/A	N/A
Connecticut	185	250	196	196	185
Delaware	185	200	142	212	200
District of Columbia	185	300	319	319	200
Florida	185	185	140	206	130
Georgia	185	200	149	205	130
Guam	185	N/A	N/A	N/A	165
Hawaii	185	185	308	308	200
Idaho	185	133	142	142	130
Illinois	185	200	142	142	130
Indiana	185	200	158	208	130
Iowa	185	300	167	375	160
Kansas	185	150	149	166	130
Kentucky	185	185	159	195	130
Louisiana	185	200	212	212	130
Maine	185	200	157	191	185
Maryland	185	250	317	317	200
Massachusetts	185	200	150	200	200
Michigan	185	185	160	195	200
Minnesota	185	275	275	283	165
Mississippi	185	185	143	194	130
Missouri	185	185	150	196	130
Montana	185	150	143	143	200
Nebraska	185	185	213	213	130
Nevada	185	133	160	160	200
New Hampshire	185	185	318	318	185
New Jersey	185	200	142	194	185
New Mexico	185	235	300	300	165
New York	185	200	149	218	200
North Carolina	185	185	210	210	200
North Dakota	185	133	147	147	200
Ohio	185	200	206	206	130
Oklahoma	185	185	205	205	130
Oregon	185	185	133	185	185
Pennsylvania	185	185	157	215	160
Puerto Rico	185	N/A	N/A	261	N/A
Rhode Island	185	350	261	208	185
South Carolina	185	185	208	182	130
South Dakota	185	133	182	195	130
Tennessee	185	185	142	198	130
Texas	185	185	144	139	165

State	WIC % of FPL	Medicaid or CHIP % of FPL Pregnant Women	Medicaid or CHIP % of FPL Children Ages 1-5	Medicaid or CHIP % of FPL Children Ages 0-1	Gross Income Limit for TANF/MOE
Utah	185	133	139	139	130
Vermont	185	200	312	312	185
Virgin Islands	185	N/A	N/A	N/A	130
Virginia	185	200	143	143	130
Washington	185	185	210	210	200
West Virginia	185	150	141	158	130
Wisconsin	185	300	186	301	200
Wyoming	185	133	154	154	130

Mr. Aderholt: What percentage of participants currently in the WIC program entered via adjunctive eligibility?

Response: Program administrative data (reported in USDA's 2012 WIC Participant and Program Characteristics Report) shows that in 2012, 75 percent of WIC participants reported participation in SNAP, TANF, or Medicaid, programs that confer automatic or adjunctive income eligibility for WIC benefits. However, the great majority of those WIC participants also reported incomes below 185 percent of the Federal Poverty Guidelines, the income threshold for program eligibility in the absence of SNAP, TANF, or Medicaid participation. Just 1.3 percent of WIC participants reported incomes above 185 percent of poverty.

WIC Electronic Benefit Transfer

Mr. Aderholt: Please provide the Subcommittee with the most current status of WIC EBT implementation, specifically what states, Indian Tribal Organizations, or territories have implemented systems, the type of system as well as any other relevant detail on the Department's efforts to meet the 2020 deadline established in the Healthy, Hunger-Free Kids Act of 2010.

Response: The Department continues to promote the implementation of EBT in WIC State agencies, and provides technical assistance and funding, if available, to support the planning, development and implementation of WIC EBT systems. Currently, 81, over 90 percent of all WIC State agencies, are involved in some phase of EBT, planning, development, implementation or operations state-wide. Five WIC State agencies have fully implemented EBT statewide using offline smartcard technology. They are: Cherokee Nation, Oklahoma; New Mexico; Pueblo of Isleta, New Mexico; Texas and Wyoming. Eight additional WIC State agencies have fully implemented EBT state-wide using on-line magstripe technology. They are: Chickasaw Nation, Oklahoma; Florida; Inter- tribal Council of Nevada; Kentucky; Michigan, Nevada, Virginia and West Virginia.

Based on our most current EBT implementation plans, 88 of 90 WIC State agencies have projected that they will meet the mandated deadline of October 2020. Two State agencies plan to seek a waiver, as allowed by the Healthy Hunger-Free Kids Act of 2010. By 2016, 36 State agencies anticipate full state-wide implementation, an additional 45 by 2018 and the remaining 7 by the 2020 deadline. These implementation timeframes assume that adequate funding is available to implement EBT nationwide by the 2020 deadline.

Mr. Aderholt: Please provide the amount of funds spent on WIC MIS in total, as well as by state and territory. Provide data for fiscal years 2009 through 2014 to date.

Response: The total amount spent on WIC MIS from fiscal year 2009 through fiscal year 2014 is $182,578,651. No funds were appropriated for WIC MIS in fiscal year 2012, but FNS recovered FY 2011 funds that were awarded to other State agencies. Priority for all technology funding was based on WIC State agencies with existing MIS projects and other technology initiatives such as EBT; funding awards was based on approved project budgets and timelines to ensure critical investments in technology are preserved.

The information is provided for the record.

[The information follows:]

WIC State agencies that have received WIC technology funds for MIS activities

	FY 2009* MIS Funding	FY 2010 MIS Funding	FY 2011 MIS Funding	FY 2012 MIS Funding	FY 2013 MIS Funding	FY 2014 MIS Funding
Northeast Region						
Connecticut	$391,270	$0	$0	$1,517,908	$654,859	$2,000,000
Maine	$1,484,356	$0	$0		$0	$0
Massachusetts	$909,000	$0	$0		$0	$0
New York	$5,092,278	$0	$0		$0	$0
Rhode Island	$147,488	$0	$0		$0	$0
Vermont	$410,215	$0	$0	$ 565,322	$2,884,116	$0
Mid-Atlantic Region						
Delaware	$5,000,000	$0	$0	$0	$0	$0
Dist. Of	$282,421	$0	$0	$0	$0	$355,100
New Jersey	$1,349,414	$0	$0	$0	$0	$0
Pennsylvania	$756,167	$0	$0	$0	$0	$0
Puerto Rico	$421,250	$0	$0	$0	$0	$0
Virginia	$0	$0	$0	$0	$0	$750,000
Southeast Region						
Florida	$3,874,445	$0	$0		$0	
Mississippi	$0	$0	$0	$0	$0	$189,350
North Carolina	$17,276,448	$0	$10,833,394	$1,912,851	$0	$1,321,282
Tennessee	$481,720	$0	$0		$0	
Mid-west Region						
Illinois	$5,504,551	$0	$0		$0	
Indiana	$0	$0	$0	$0	$0	$878,511
Minnesota	$2,935,346	$0	$0		$0	
Wisconsin	$401,800	$0	$0		$0	
Southwest Region						
Arkansas	$400,433	$93,088	$0		$0	
Chickasaw, OK	$2,920,091	$3,380,132	$0	$1,098,260	$782,721	$876,954
Louisiana	$576,302	$0	$0		$0	
New Mexico	$1,861,490	$0	$0		$0	
Texas	$10,826,705	$28,802,826	$4,967,304		$0	
Mountain Plains						
Colorado	$1,022,022	$1,412,693	$3,828,814	$2,107,695	$0	
Iowa	$0	$0	$0	$0	$0	$1,483,327
Kansas	$6,285,855	$460,091	$0	$844,912	$0	
Missouri	$1,630,769	$93,009	$0		$0	$1,456,125
Montana	$426,000	$190,575	$0		$0	
Nebraska	$182,700	$0	$0		$3,789,957	
North Dakota	$68,975	$0	$0		$0	$409,100
South Dakota	$1,907,672	$0	$0	$1,261,671	$0	
Standing Rock	$0	$0	$321,850		$307,700	$897,107
Utah	$206,000	$0	$0		$750,000	$2,704,200
Western Region						
Alaska	$2,487,150	$447,768	$0	$0	$0	$0
Arizona	$2,952,662	$1,749,385	$0	$0	$0	$0
California	$4,405,661	$0	$0	$0	$0	$0
Hawaii	$250,000	$0	$0	$0	$0	$1,495,818
Idaho	$2,556,978	$55,608	$34,154	$0	$0	$0
Nevada/ITCN	$0	$0	$0	$0	$0	$3,844,630
Oregon	$223,800	$0	$0	$0	$0	$0
Washington	$0	$0	$0	$0	$3,563,250	$0
TOTAL	**$87,909,434**	**$36,685,175**	**$19,985,516**	**$9,308,619**	**$12,732,603**	**$15,957,304**

*Funds were awarded through the American Recovery and Reinvestment Act of 2009.

Mr. Aderholt: Please provide the amount of funds spent on WIC EBT in total, as well as by state and territory. Provide data for fiscal years 2009 through 2014 to date.

Response: The information is provided for the record.

[The information follows:]

This table provides the amount of funds spent on WIC EBT from fiscal year 2009 through fiscal year 2014. The table shows which WIC State agencies received funding for planning activities and those that received funding for implementation activities. Funds were not appropriated for WIC EBT in fiscal year 2012.

WIC State Agency EBT Technology Funds
FY 2009 through FY 2014
9/30/2014

	FY 2009*		FY2010		FY 2011		FY 2012		FY 2013		FY 2014	
State Agency	**Plan**	**Implem.**	**Plan**	**Implem.**	**Plan**	**Implem.**	**Plan**	**Implem.**	**Plan**	**Implem.**	**Plan**	**Implem.**
NORTHEAST REGION												
Connecticut	$0	$0	$290,950	$0	$0	$0	$0	$0	$0	$0	$0	$0
Massachusetts	$0	$0	$0	$0	$297,610	$0	$0	$0	$0	$3,717,078	$0	$0
Maine	$0	$0	$226,748	$0	$0	$0	$0	$0	$0	$2,528,320	$0	$0
New York	$0	$0	$400,000	$0	$0	$0	$0	$0	$0	$2,287,032	$0	$0
Rhode Island	$0	$0	$255,585	$0	$0	$0	$0	$0	$0	$0	$0	$0
Vermont	$0	$0	$0	$0	$202,201	$0	$0	$0	$0	$774,456	$0	$0
REGIONAL TOTAL	**$0**	**$0**	**$1,173,283**	**$0**	**$499,811**	**$0**	**$0**	**$0**	$0	**$9,306,886**	$0	$0
MID-ATLANTIC REGION												
Delaware	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$1,092,400	$0	$693,660
Dist. Of Columbia	$300,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maryland	$0	$0	$0	$0	$403,210	$0	$0	$0	$0	$4,800,760	$0	$0
Pennsylvania **	$462,264	$0	$0	$0	$0	$97,135	$0	$0	$0	$0	$0	$0
Virginia	$0	$585,822	$0	$6,033,196	$0	$0	$0	$0	$0	$0	$0	$0
West Virginia	$0	$0	$0	$1,848,049	$0	$0	$0	$0	$0	$0	$0	$0
REGIONAL TOTAL	**$1,012,264**	**$585,822**	**$0**	**$7,881,245**	**$403,210**	**$97,135**	**$0**	**$0**	$0	**$5,893,160**	$0	**$693660**
SOUTHEAST REGION												
Alabama	$218,513	$0	$0	$0	$0	$158,170	$0	$0	$0	$0	$0	$0
Florida	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Kentucky	$0	$2,582,070	$0	$7,732,386	$0	$3,527,573	$0	$0	$0	$0	$0	$0
Mississippi	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$830,057	$0
South Carolina	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$245,400	$0
REGIONAL TOTAL	**$218,513**	**$2,582,070**	**$0**	**$7,732,386**	**$0**	**$3,685,743**	**$0**	**$0**	$0	$0	**$1,075,457**	**$1,075,457**

Mr. Aderholt: Please provide an explanation of the benefits provided to USDA and the States in implementing EBT systems.

Response: Electronic benefit transfer (EBT) is widely recognized as the optimal method of food benefit delivery, allowing WIC participants to shop with confidence, more convenience, and reduced stigma at the checkout lane. This improved client service is coupled with more efficient and accurate vendor operations and payments, thereby helping to reduce fraud

and improve Program integrity. EBT systems allow for greater fiscal control and oversight not possible in a paper based check or voucher system.

Specific examples of the benefits to USDA and WIC State agencies in implementing EBT systems include:

- Ensures participant receives only their prescribed foods
- Permits participant to purchase foods incrementally each month.
- Simplifies enforcement of Federal cost containment requirements
- Provides data on type and amount of each food purchased
- Facilitates accurate rebate billing on infant formula purchased
- Ensures that vendor claims no more than shelf price for reimbursement
- Secure transaction
- Timely and accurate claims
- Streamlines and improves vendor compliance and monitoring activities
- Reduces forgery and fraud opportunities
- Improves administrative efficiencies through data rich EBT activity reports
- Increases accountability and reduces paperwork

Numerous other benefits of EBT are realized by WIC vendors, to include many of the same benefits outlined above. These include, but are not limited to:

- Participant purchases only WIC authorized foods
- Reduces cashier error and need for training
- Identifies allowable foods which enhances customer service
- Secure transaction
- Timely/faster claims and settlement
- Numerous activity reports for WIC EBT
- Streamlines processing and payment operations by eliminating paper food instrument processing and handling
- National standards for retailer transaction processing that enable efficient support across States
- Mainstreams WIC purchases with other electronic payment types

WIC Program Information

Mr. Aderholt: What have been the carryout resources from each of fiscal years 2009 through estimated 2014? Please list and list separately contingency funds. What is the percentage amount of this carryout?

Response: A table depicting the WIC Program's actual carryout and contingency funds for FYs 2009 through 2014, and estimated carryout (*) for FY 2014, is provided for the record.

FY	Appropriation[1]	Unspent Recoverable Funds	SNAP Carryout	Total Carryout	% of Total	Contingency Carryout
2009	$6,898,175,022	$524,177,171	$0	$524,177,171	7.6%	$125,000,000
2010	$7,252,000,000	$535,836,725	$0	$535,836,725	7.4%	$125,000,000
2011	$6,734,026,956	$157,190,323	$0	$157,190,323	2.3%	$125,000,000
2012	$7,018,497,000	$371,440,759	$31,744,781	$403,185,540	5.7%	$125,000,000
2013	$6,522,246,042	$466,179,052	$0	$466,179,052	7.1%	$125,000,000
2014*	$6,590,841,000	$234,400,000	$0	$234,400,000	3.6%	$125,000,000

FY 2009 includes $38,175,022 of ARRA funds, and FY 2012 includes $400 million of SNAP transfer funds.

*Estimated carryout for FY 2014.

WIC Vendor Management

Mr. Aderholt: What is your current estimate of the number and proportion of WIC vendors who overcharge/undercharge and how much does it cost the program?

Response: The 2013 WIC Vendor Management Study estimated that about 2,060 or 5.6 percent of WIC vendors overcharged, while 1,685 or 4.6 percent of WIC vendors undercharged. The estimated amount of improper payments due to vendor overpayments and underpayments to be reported in the FY 2014 Agency Financial Report for FY 2013 is $76 million. Vendor overpayments represent $15 million of this total while vendor underpayments represent $61 million.

Mr. Aderholt: Please provide the Committee with tables showing the status of state agency contracts for rebates on infant formula and other contracts for food. Also provide an estimate of how many participants are supported with these specific rebates.

Response: The information is submitted for the record.

[The information follows:]

Fiscal Year	**Rebate Savings**	**Number of Participants Supported with Rebates**
2001	$1,474,666,183	1,926,158
2002	$1,477,282,664	1,910,708
2003	$1,519,207,719	1,897,708
2004	$1,641,607,266	2,002,937
2005	$1,709,770,467	2,063,316
2006	$1,774,954,018	2,118,999
2007	$1,906,036,049	2,170,893
2008	$2,006,846,780	2,143,523
2009	$1,937,479,495	2,112,441
2010	$1,692,506,104	1,901,166
2011	$1,314,108,882*	1,419,407*
2012	$1,688,202,689	1,795,000
2013	$1,876,871,339	1,969,000
2014	$1,825,000,000**	1,869,000**

***Reflects one time Healthy, Hunger-Free Kids Act of 2010 change to rebate accounting practices. Effective October 1, 2011, rebate payments are reported in month received rather than in the month payments were earned.**
****Preliminary projections based on FY to-date data through June 2014.**

Rebates Contracts for Food(s) Other than Infant Formula				
State Agency	Food Type	Rebate	Company	Expiration Date
CT/ME/MA/NH/RI	Infant Fruit/Veg. Infant Meat Infant Cereal	\$0.090/oz. \$0.149/oz. \$0.632/oz.	Beechnut	2/28/2017
DE/DC/MD/NJ PA,VA/WV	Infant Cereal	\$0.194/oz.	Gerber	6/30/2015
Ohio	Infant Fruit/Veg./ Meat	\$0.055/oz.	Beechnut	3/31/2015
Ohio	Infant Cereal	\$0.832/oz.	Gerber	3/31/2017
New York	Infant Cereal	\$0.943/8oz.	Gerber	1/31/2019
Texas	Infant Cereal	\$0.758/8oz.	Gerber	9/30/2017

State Agency	Manufacturer	Powder					
		Wholesale Price	Rebate	Net Wholesale Cost	Original Percent Discount	Unit Size	Expiration Date
Individual State Agency Contracts *(22 State Agencies)*							
Alabama	Abbott Nut.	$14.38	$12.45	$1.93	85%	12.4 oz.	9/30/2015
California	Mead Johnson	$14.38	$12.20	$2.18	91%	12.5 oz.	7/31/2015
California (soy)	Mead Johnson	$15.85	$14.57	$1.28	91%	12.9 oz.	7/31/2015
Colorado	Mead Johnson	$14.38	$13.10	$1.28	91%	12.5 oz.	12/31/2014
Colorado	Mead Johnson	$14.38	$11.30	$3.08	79%	12.5 oz.	12/31/2016
Florida	Mead Johnson	$14.38	$14.19	$0.19	99%	12.5 oz.	1/31/2017
Florida (soy)	Gerber	$15.10	$14.66	$0.44	97%	12.9 oz.	1/31/2017
Georgia	Gerber	$14.80	$14.07	$0.73	95%	12.7 oz.	9/30/2016
Illinois	Mead Johnson	$14.38	$13.40	$0.98	93%	12.5 oz.	1/31/2016
Indiana	Gerber	$14.80	$13.71	$1.09	90%	12.7 oz.	9/30/2015
Kentucky	Gerber	$14.80	$13.63	$1.17	90%	12.7 oz.	6/30/2015
Louisiana	Mead Johnson	$14.38	$13.51	$0.87	94%	12.5oz.	9/30/2015
Michigan	Mead Johnson	$14.38	$13.24	$1.15	91%	12.5 oz.	10/31/2016
Mississippi	Mead Johnson	$17.70/case				12.5 oz.	6/30/2016
New Jersey	Mead Johnson	$14.38	$13.47	$0.91	93%	12.5 oz.	9/30/2015
New York	Mead Johnson	$14.38	$12.93	$1.45	89%	12.5 oz.	3/31/2015
New York (soy)	Mead Johnson	$15.85	$14.65	$1.20	91%	12.9 oz.	3/31/2015
North Dakota	Mead Johnson	$14.38	$11.90	$2.48	82%	12.5 oz.	6/30/2015
Ohio	Abbott Nut.	$14.38	$13.07	$1.32	89%	12.4 oz.	9/30/2015
Pennsylvania	Abbott Nut.	$14.38	$13.85	$0.53	96%	12.4 oz.	9/30/2018
Puerto Rico	Gerber	$14.80	$12.78	$2.02	82%	12.7 oz.	9/30/2017
South Carolina	Gerber	$14.80	$13.23	$1.57	89%	12.7 oz.	3/31/2015
Tennessee	Abbott Nut.	$14.38	$14.22	$0.16	99%	12.4 oz.	6/30/2017
Vermont	Abbott Nut.	$14.38		$6.03		12.4 oz.	9/30/2015
Virginia	Abbott Nut.	$14.38	$13.03	$1.35	89%	12.4 oz.	6/30/2015
Wisconsin	Gerber	$14.80	$13.02	$1.78	85%	12.7 oz.	12/31/2015
Multi-State Contracts							
Mountain Plains Region *(3 State Agencies)*							
Missouri	Mead Johnson	$14.38	$12.70	$1.68	86%	12.5 oz.	9/30/2014
Nebraska	Mead Johnson	$14.38	$12.70	$1.68	86%	12.5 oz.	9/30/2014
South Dakota	Mead Johnson	$14.38	$12.70	$1.68	86%	12.5 oz.	9/30/2014
New England and Tribal Organizations (NEATO) *(7 State Agencies)*							
Connecticut	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
Maine	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
Massachusetts	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
New Hampshire	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
Rhode Island	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
Cherokee, OK	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014
Seneca Nat., NY	Mead Johnson	$14.38	$13.11	$1.27	90%	12.5 oz.	9/30/2014

State Agency	Manufacturer	Powder					Expiration Date
		Wholesale Price	Rebate	Net Wholesale Cost	Original Percent Discount	Unit Size	
Southwest Region *(6 State Agencies*							
Oklahoma	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
8 Northern, NM	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
Chickasaw, OK	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
Muscogee-OK	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
Otoe-OK	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
Potawatomi-OK	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
WCD-OK	Gerber	$14.80	$14.10	$0.70	95%	12.7 oz.	9/30/2015
Southwest/Southeast Region *(3 State Agencies)*							
	Milk-Based Infant Formula						
Arkansas	Gerber	$14.80	$14.56	$0.24	98%	12.7 oz.	9/30/2015
New Mexico	Gerber	$14.80	$14.56	$0.24	98%	12.7 oz.	9/30/2015
North Carolina[7/]	Gerber	$14.80	$14.56	$0.24	98%	12.7 oz.	9/30/2015
	Soy-Based Infant Formula						
Arkansas	Gerber	$15.10	$13.78	$1.32	90%	12.9 oz.	9/30/2015
New Mexico	Gerber	$15.10	$13.78	$1.32	90%	12.9 oz.	9/30/2015
North Carolina[7/]	Gerber	$15.10	$13.78	$1.32	90%	12.9 oz.	9/30/2015
Southwest/Mountain Plains/Midwest Regions *(4 State Agencies)*							
	Milk-Based Infant Formula						
Iowa	Abbott Nut.	$14.38	$13.95	$0.43	97%	12.4 oz.	9/30/2015
Minnesota	Abbott Nut.	$14.38	$13.95	$0.43	97%	12.4 oz.	9/30/2015
Texas	Abbott Nut.	$14.38	$13.95	$0.43	97%	12.4 oz.	9/30/2015
Choctaw-OK	Abbott Nut.	$14.38	$13.95	$0.43	97%	12.4 oz.	9/30/2015
	Soy-Based Infant formula						
Iowa	Gerber	$15.10	$14.37	$0.73	95%	12.9 oz.	9/30/2015
Minnesota	Gerber	$15.10	$14.37	$0.73	95%	12.9 oz.	9/30/2015
Texas	Gerber	$15.10	$14.37	$0.73	95%	12.9 oz.	9/30/2015
Choctaw-OK	Gerber	$15.10	$14.37	$0.73	95%	12.9 oz.	9/30/2015

State Agency	Manufacturer	Powder Wholesale Price	Rebate	Net Wholesale Cost	Original Percent Discount	Unit Size	Expiration Date
Western States Contracting Alliance (WSCA) (22 State Agencies)							
	Milk-Based Infant Formula						
Alaska	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Am. Samoa	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Arizona	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
CNMI	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Delaware	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Guam	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Hawaii	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Idaho	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Kansas	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Maryland	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Montana	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Nevada	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Oregon	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Utah	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Virgin Islands	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Washington	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Wash., D.C.	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
West Virginia	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Wyoming	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
ITC/AZ	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
ITC/NV	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
Navajo, AZ	Abbott Nut.	$14.38	$13.75	$0.63	95%	12.4 oz.	9/30/2015
	Soy-Based Infant Formula						
Alaska	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Am. Samoa	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Arizona	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
CNMI	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Delaware	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Guam	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Hawaii	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Idaho	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Kansas	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Maryland	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Montana	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Nevada	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Oregon	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Utah	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Virgin Islands	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Washington	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Wash., D.C.	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
West Virginia	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Wyoming	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
ITC/AZ	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
ITC/NV	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Navajo, AZ	Mead Johnson	$15.85	$14.41	$1.44	90%	12.9 oz.	9/30/2015
Indian Tribal Organizations							
Competively-Bid Contracts (4 State Agencies)							
Cheyenne, SD	Mead Johnson	$14.38	$9.24	$5.14	48%	12.4 oz.	9/30/2015
Rosebud, SD	Mead Johnson	$14.38	$9.35	$5.03	65%	12.5 oz.	9/30/2016
Stand. Rok-ND	Abbott Nut.	$14.38	$8.71	$5.67	47%	12.4 oz.	11/30/2014

WIC Program Information

Mr. Aderholt: Using the latest data available, how many ineligible participants are enrolled in the WIC program, and what is the cost to the program to serve these ineligible participants?

Response: The National Survey of WIC Participants-II Study, published in April 2012, established estimates of the number of ineligible WIC participants and associated estimates of erroneous payments due to certification error in FY 2009. Annual updated estimates are generated using administrative data and data from the biennial WIC Participant and Program Characteristics Reports. For FY 2013 it is estimated that 1.65 percent of the total WIC participants or less than 143,000 WIC participants were erroneously certified. The estimated amount of improper payments due to certification error to be reported in the FY 2014 Agency Financial Report for FY 2013 is $130 million.

Mr. Aderholt: What was the cost for infant formula at the time the infant formula rebate program began? What is the cost now, based upon the FY 2010 estimates?

Response: It is estimated that the pre-rebate cost of infant formula to the WIC Program in fiscal year 1988 was $597 million with a post-rebate cost of $563 million with rebate savings of about $34 million. The pre-rebate cost of infant formula in fiscal year 2010 (the latest estimate) was $2.616 billion with a post-rebate cost of $926.6 million with rebate savings of about $1.7 billion.

Mr. Aderholt: Please provide a table showing what is required to be spent nationally on nutrition education to include fiscal years 2009 through 2014. What is the difference between the required expenditure vs. the actual? Is the requirement in law? Please cite the authority.

Response: Section 17(h)(3)(A)(i) of the Child Nutrition Act (CNA) of 1966 (42 U.S.C. 1786) and implementing regulations at 7 CFR 246.14(c) require each WIC State agency to spend at least one-sixth of its expenditures for nutrition services and administration (NSA) costs on nutrition education. The required minimum expenditure for nutrition education activities is therefore calculated by dividing total NSA expenditures by six. The actual nutrition education expenditure is the amount reported by State agencies for nutrition education activities. The actual expenditures for FY 2014 are not available.

In addition to educating WIC participants and their caretakers on standard topics such as nutrition during pregnancy and the proper introduction of solid foods in infancy, the nutrition education costs include nutrition counseling for high risk participants, equipment and materials for nutrition education, interpreter or translator services to facilitate nutrition education, and continuing education for WIC nutrition professionals.

The information is provided for the record.

[The information follows:]

ESTIMATED MINIMUM NUTRITION EDUCATION EXPENDITURE REQUIREMENT		
Fiscal Year	Required Expenditure	Actual Expenditure
2009	$297,988,448	$401,023,893
2010	$318,431,731	$420,222,765
2011	$327,235,978	$445,919,902
2012	$313,759,155	$405,895,658
2013	$314,315,708	$404,993,399
2014 (Estimate)	$314,315,708	Not Available

* Data Source: National Data Bank - WIC Program SNFA013-04 Reports for FYs 2009 - 2013 (Report Date: 09/25/14).

Mr. Aderholt: For the record, please explain how States utilize their spend forward funds. What types of activities are paid for with these funds? When FNS reallocates the unspent recoverable funds to the WIC state agencies, how are these funds being utilized?

Response: By statute and regulation, all WIC State agencies are authorized to spend forward into the following fiscal year unspent nutrition services and administration funds in an amount equal to three percent of their total grant. The authority to spend forward funds into the following year allows State agencies to maintain a small percentage of their unspent funds so they can budget to have sufficient funds to complete activities started in any given year. This authority is particularly important to allow State agencies sufficient time and funding to complete lengthy procurement processes and award contracts for capital expenditures and technical computer services. State agencies also use their spend forward funds to maintain participant benefits during long continuing resolutions. The funds are used for allowable costs including program management, client services, nutrition education and breastfeeding promotion and support. With approval, WIC State agencies may spend forward an additional ½ of 1 percent for Management Information Systems (MIS) development costs. Spend forward funds are retained at the State agency level.

Unspent recoverable funds are those unspent funds that are returned to the Department after the close of the fiscal year. These recovered funds are reallocated to WIC State agencies the following fiscal year through a funding formula prescribed in program regulations. These funds are used for allowable food and nutrition services and administration costs.

Mr. Aderholt: For the record, provide the Committee with a table showing a breakout of WIC spendforward, by state, to include fiscal years 2009 through 2014.

Response: WIC State agencies do not report their spendforward amounts until annual closeout, so fiscal year 2014 spendforward amounts are not available. The information is provided for the record.

[The information follows:]

State Agency	FY 2009 NSA Spendforward	FY 2010 NSA Spendforward	FY 2011 NSA Spendforward	FY 2012 NSA Spendforward	FY 2013 NSA Spendforward
NERO					
Connecticut	$917,880	$1,411,612	$842,965	$360,423	$821,176
Maine	580,977	667,319	679,026	511,496	645,513
Massachusetts	3,295,338	3,222,075	3,192,722	3,130,393	2,576,285
New Hampshire	255,448	191,656	211,451	329,764	383,320
New York	0	13,150,186	13,936,025	13,987,144	14,546,740
Rhode Island	721,950	720,150	733,000	708,865	658,121
Vermont	10,604	69,405	79,793	14,501	17,712
Indian Township	0	0	0	0	0
Pleasant Point	0	0	3,248	0	0
Seneca Nation	0	0	2,499	3,574	1,205
SUBTOTAL	**5,782,197**	**19,432,403**	**19,680,729**	**19,046,160**	**19,650,072**
MARO					
Delaware	465,205	496,103	531,409	496,103	489,012
District of Colı	611,007	531,752	222,647	60,862	483,337
Maryland	2,936,531	2,153,769	3,076,202	3,360,745	2,775,336
New Jersey	4,554,114	4,995,615	4,313,087	4,500,050	5,111,394
Pennsylvania	7,224,624	7,038,738	7,611,650	7,619,787	7,074,442
Puerto Rico	2,635,953	5,830,595	5,740,208	3,057,818	899,557
Virginia	4,005,013	3,736,618	3,659,197	3,584,383	3,536,435
Virgin Islands	245,602	61,000	20,193	158,947	134,617
West Virginia	1,428,100	1,431,016	1,389,929	1,368,152	1,167,730
SUBTOTAL	**24,106,149**	**26,275,206**	**26,564,522**	**24,206,847**	**21,671,860**
SERO					
Alabama	3,043,197	1,818,906	1,375,516	3,596,935	3,292,630
Florida	11,356,089	11,557,839	0	2,242,273	2,788,485
Georgia	1,517,741	8,431,825	6,103,259	9,009,227	7,484,247
Kentucky	3,851,601	3,469,804	3,507,419	3,202,643	345,530
Mississippi	3,445,995	2,969,582	3,200,552	3,086,763	2,974,595
North Carolina	6,523,493	7,164,708	7,171,017	7,175,979	6,940,469
South Carolina	458,424	2,710,389	1,336,432	1,123,975	2,034,479
Tennessee	0	1,025,709	3,784,503	3,852,150	2,968,984
Choctaw, MS	25,245	26,678	25,867	27,907	28,769
Eastern Cherokee	20,185	20,723	21,084	23,862	21,230
SUBTOTAL	**30,241,970**	**39,196,163**	**26,525,649**	**33,341,714**	**28,879,418**
MWRO					
Illinois	7,013,080	6,096,639	7,275,410	6,939,320	6,748,462
Indiana	3,706,436	3,774,509	3,658,503	3,832,807	3,832,281
Michigan	6,246,907	7,621,859	6,799,783	5,752,296	4,937,390
Minnesota	3,268,882	3,193,325	3,173,053	3,099,745	3,000,670
Ohio	6,292,407	6,020,316	4,942,110	5,573,095	5,471,701
Wisconsin	2,948,320	3,444,169	3,517,047	2,943,646	3,205,597
SUBTOTAL	**29,476,032**	**30,150,817**	**29,365,906**	**28,140,909**	**27,196,101**

State Agency	FY 2009 NSA Spendforward	FY 2010 NSA Spendforward	FY 2011 NSA Spendforward	FY 2012 NSA Spendforward	FY 2013 NSA Spendforward
SWRO					
Arkansas	9,225	840,126	90,642	0	0
Louisiana	1,847,420	4,045,800	4,418,156	4,422,699	4,238,102
New Mexico	979,406	1,377,953	1,366,007	1,551,345	1,528,975
Oklahoma	100,000	0	0	1,370,000	0
Texas	16,122,047	19,023,719	21,525,323	20,933,296	19,565,748
ACL, NM	20,049	3,925	18,766	0	10,596
8 Northern	660	11,417	11,848	16,098	10,489
Isleta	14,831	4,090	0	12,401	0
Santo Domingo	11,345	11,643	10,863	0	6,338
5 Sandoval	13,745	10,918	16,099	17,971	12,484
San Felipe	495	0	0	8,606	0
WCD	127,149	84,776	4,580	112,352	142,719
Choctaw, OK	134,341	131,754	64,043	122,396	135,113
Cherokee	230,243	98,527	203,522	159,087	183,968
Chickasaw	158,005	151,808	132,957	134,683	135,679
Otoe-Missouria	33,414	25,571	20,144	0	0
Potawatomi	25,497	25,497	25,497	25,497	64,087
Zuni	30,603	22,680	0	27,725	28,042
ITC	25,991	31,239	28,844	28,391	34,724
Muscogee Creek	119,106	102,538	76,429	0	21,456
Osage	89,660	74,554	0	0	92,606
SUBTOTAL	**20,093,232**	**26,078,535**	**28,013,720**	**28,942,547**	**26,211,126**
MPRO					
Colorado	1,791,840	1,392,659	687,241	1,001,511	2,353,187
Iowa	1,721,972	1,839,784	1,690,578	1,661,209	1,546,735
Kansas	920,835	1,438,756	1,868,500	1,844,290	1,810,044
Missouri	3,503,010	3,501,980	2,706,317	3,567,822	3,518,390
Montana	324,158	581,195	394,375	585,006	572,180
Nebraska	1,148,576	1,160,028	999,128	1,165,710	1,131,434
North Dakota	339,043	330,565	310,414	315,762	269,475
South Dakota	537,856	573,695	43,216	162,449	0
Utah	226,419	1,105,069	1,758,996	1,230,917	1,639,682
Wyoming	256,905	314,000	282,045	307,061	303,355
Eastern Shoshone	891	0	0	0	0
Ute Mountain	9,172	9,308	8,351	11,176	11,171
Winnebago	11,984	11,197	7,040	12,138	7,823
Cheyenne River	33,923	32,866	3,360	3,360	3,360
Rosebud	23,523	33,453	11,370	18,514	52,403
Standing Rock	50,515	48,426	50,630	0	0
3 Affiliated Tr	22,953	23,441	21,420	18,245	0
Omaha	18,299	7,927	19,657	17,508	17,330
Northern Arapahc	0	0	0	2,214	21,204
Santee	8,242	7,866	7,158	6,855	6,466
SUBTOTAL	**10,950,116**	**12,412,215**	**10,869,796**	**11,931,747**	**13,264,239**
WRO					
Alaska	891,555	366,327	792,889	0	12,937
Arizona	4,603,108	4,403,237	4,451,211	4,473,522	4,357,692
California	34,343,244	37,073,449	34,904,722	38,700,054	36,505,904
Guam	303,260	297,490	318,791	310,235	336,982
Hawaii	1,117,839	1,061,935	1,115,611	1,294,100	742,547
Idaho	976,372	1,107,848	1,091,970	914,393	674,018
Nevada	2,284,533	1,698,509	1,651,992	1,786,509	1,780,796
Oregon	2,414,896	2,395,485	2,764,788	2,842,936	2,734,482
Washington	4,746,538	5,185,248	5,137,495	4,873,605	4,454,404
ITCN	41,021	1,951	5,162	46,510	36,196
Navajo Nation	378,913	154,766	108,989	71,479	188,343
ITCA	132,309	284,339	320,994	322,775	301,588
American Samoa	245,963	257,491	254,226	245,536	222,215
Northern Mariana	144,933	177,282	175,371	169,737	169,249
SUBTOTAL	**52,624,484**	**54,465,357**	**53,094,211**	**56,051,391**	**52,517,353**
NATIONAL	**$173,274,180**	**$208,010,696**	**$194,114,533**	**$201,661,315**	**$189,390,169**

Mr. Aderholt: Provide a table for the record, using the latest data available, showing actual obligations in the WIC program for the month of September for fiscal years 2009 through estimated 2014. Please include a column that indicates the percentage of the total amount obligated in that particular fiscal year. Also, provide an explanation of why September obligations represent a higher or lower percentage than the average monthly obligation rate.

Response: The information is submitted for the record.

[The information follows:]

Fiscal Year	Actual Obligations for the Month of September (in thousands)*	Percent of Total Amount Obligated
2009	$602,106	9.3%
2010	1,074,998	16.0%
2011	1,177,661	16.4%
2012	1,013,416	14.6%
2013	572,872	8.9%

*FY 2010 increases due in part to ARRA MIS, Breastfeeding Promotion, and State MIS.

Source: FNS National Data Bank (NDB)

September 2014 estimates are not available at this time.

Program costs during the final month of the fiscal year tend to be higher than the typical month for several reasons. First, the September total includes Farmers Market Nutrition Program (FMNP) and Infrastructure funds; other months include only food costs and nutrition services and administration costs (NSA). Second, NSA costs are generally highest during the final month of the year because it contains all NSA payments made beginning September through closeout of the fiscal year plus any balance of unliquidated obligations remaining at closeout. Many agencies postpone certain purchases (such as office equipment) until the end of the year to ensure that adequate funds are available for operating expenses. Another reason is that the average food cost per person tends to rise during the year and program participation often increases during the year. Finally, preliminary September data are subject to revision, and these revisions usually reflect decreases in actual expenditures.

Mr. Aderholt: Provide a table showing, by state, the final unspent recoverable funds for fiscal years 2009 through 2014.

Response: WIC State agencies do not report their final unspent recoverable funds until annual closeout, so fiscal year 2014 final unspent recoverable funds are not available. The information is submitted for the record.

[The information follows:]

State Agency	FY 2009 Unspent Recoverable Funds	FY 2010 Unspent Recoverable Funds	FY 2011 Unspent Recoverable Funds	FY 2012 Unspent Recoverable Funds	FY 2013 Unspent Recoverable Funds
NERO					
Connecticut	$2,969,734	$4,716,251	$5,379,692	$0	$6,186,793
Maine	1,374,944	1,231,513	629,159	865,056	1,305,172
Massachusetts	6,393,075	5,608,492	2,822,034	4,057,752	4,187,917
New Hampshire	994,515	1,469,036	546,706	396,773	677,726
New York	11,002,117	8,486,182	605,345	10,112,719	38,772,663
Rhode Island	1,759,873	901,318	401,655	621,366	677,710
Vermont	761,567	941,207	326,901	420,247	93,783
Indian Township	2,273	16,620	8,304	6,012	5,970
Pleasant Point	11,563	24,510	15,278	396	4,689
Seneca Nation	59,515	35,516	10,547	6,427	15,300
SUBTOTAL	**25,329,176**	**23,430,645**	**10,745,621**	**16,486,748**	**51,927,723**
MARO					
Delaware	2,358,723	1,060,898	1,005,456	1,145,821	2,357,699
District of Columbia	1,208,229	794,402	332,948	926,946	806,269
Maryland	2,528,383	5,456,048	0	3,157,278	6,973,625
New Jersey	7,064,442	10,879,751	4,495,702	10,002,662	6,846,374
Pennsylvania	19,334,359	4,776,800	0	8,757,858	15,692,521
Puerto Rico	5,926,763	25,133,777	10,985,010	1,808,810	3,107,170
Virginia	23,480,622	14,656,879	1,807,860	4,403,304	8,875,583
Virgin Islands	309,125	921,377	416,228	216,818	519,631
West Virginia	2,773,918	4,457,667	374,015	1,428,611	3,687,696
SUBTOTAL	**64,984,564**	**68,137,599**	**19,417,219**	**31,848,108**	**48,866,568**
SERO					
Alabama	15,910,637	3,317,367	1,224,883	3,522,131	6,576,942
Florida	11,590,786	36,996,334	6,799,350	13,047,311	11,387,840
Georgia	17,681,522	13,628,955	0	19,636,299	23,580,476
Kentucky	15,997,685	18,563,710	19,418,288	17,033,939	10,177,723
Mississippi	2,314,919	15,147,888	8,554,392	7,930,705	5,778,513
North Carolina	25,317,789	19,484,107	5,210,706	2,386,423	4,796,613
South Carolina	8,383,278	4,104,840	0	1,539,231	2,808,734
Tennessee	22,836,458	5,257,013	1,071,398	10,340,652	3,628,810
Choctaw, MS	89,535	172,648	101,311	90,161	147,824
Eastern Cherokee	57,802	94,521	101,466	6,354	48,573
SUBTOTAL	**120,180,411**	**116,767,383**	**42,481,794**	**75,533,206**	**68,932,048**
MWRO					
Illinois	9,942,214	23,951,915	9,987,917	12,946,392	9,281,831
Indiana	18,679,616	22,299,134	8,132,946	7,039,063	8,420,935
Michigan	21,718,883	15,418,213	602,279	9,586,295	11,920,478
Minnesota	9,882,878	7,014,474	467,220	6,366,793	58,592
Ohio	23,549,340	22,338,055	972,282	14,173,428	18,046,546
Wisconsin	4,300,550	5,713,869	3,662,894	5,430,005	4,965,226

SUBTOTAL	**88,073,481**	**96,735,660**	**23,825,538**	**55,541,976**	**52,693,608**
SWRO					
Arkansas	5,808,147	4,361,532	1,649,425	2,026,410	1,220,966
Louisiana	2,462,381	8,522,555	2,676,021	6,643,753	7,551,864
New Mexico	4,112,425	7,377,000	5,719,313	3,563,485	6,005,876
Oklahoma	5,444,398	3,784,263	353,132	3,781,626	3,208,388
Texas	60,617,544	51,261,690	25,108,844	39,335,226	52,699,645
ACL, NM	52,665	37,731	71,280	32,732	13,352
8 Northern	114,399	46,610	25,947	27,847	30,670
Isleta	95,021	54,508	333	12,691	5,722
Santo Domingo	3,452	31,703	71,148	5,113	2,256
5 Sandoval	45,383	47,397	45,836	132,241	43,201
San Felipe	20,210	30,962	79,493	64,686	8,606
WCD	66,572	8,238	0	117,549	120,688
Choctaw, OK	115,982	243,499	0	199,419	282,253
Cherokee	373,544	1,175,389	276,956	631,230	261,276
Chickasaw	369,572	157,249	105,164	0	64,281
Otoe-Missouria	122,680	73,991	32,348	21,519	20,308
Potawatomi	677,983	292,563	73,056	106,379	173,515
Zuni	149,740	77,945	43,658	24,014	98,765
ITC	63,299	213,382	91,056	69,922	96,941
Muscogee Creek	395,465	332,019	196,833	349,346	5,612
Osage	508,175	383,903	0	0	401,407
SUBTOTAL	**81,619,037**	**78,514,129**	**36,619,843**	**57,145,188**	**72,315,592**
MPRO					
Colorado	5,161,741	3,758,555	1,564,955	4,717,649	4,665,131
Iowa	4,164,433	4,022,979	0	3,825,512	3,712,477
Kansas	3,926,891	1,994,938	354,828	2,036,733	4,296,147
Missouri	18,484,855	9,672,827	3,501	6,085,258	7,091,821
Montana	1,719,634	1,200,195	0	762,079	747,879
Nebraska	2,944,344	2,707,627	701,387	1,433,993	1,389,941
North Dakota	1,455,604	854,227	639,591	752,626	488,118
South Dakota	1,898,444	505,290	0	1,676,423	938,817
Utah	5,559,259	0	1,871,993	2,519,813	2,577,054
Wyoming	839,967	836,619	119,801	317,804	711,666
Eastern Shoshone	50,478	9,335	0	0	16,860
Ute Mountain	33,061	9,088	0	12,788	24
Winnebago	61,986	33,533	18,133	18,053	0
Cheyenne River	125,329	208,512	75,086	25,209	20,975
Rosebud	148,586	92,755	4,017	6,923	49,372
Standing Rock	241,886	184,681	105,580	0	146,517
3 Affliliated Tribes	60,421	126,142	63,876	60,586	59,854
Omaha	29,730	53,085	28,241	25,027	38,887
Northern Arapaho	98,093	130,479	19,416	27,690	40,885
Santee	14,082	37,164	15,942	1,311	0
SUBTOTAL	**47,018,824**	**26,438,031**	**5,586,347**	**24,305,478**	**26,992,425**

WRO					
Alaska	932,881	2,130,449	2,050,878	1,167,905	2,099,637
Arizona	8,778,600	14,583,558	3,408,934	6,010,754	4,704,982
California	58,891,229	52,213,411	0	82,165,727	104,814,095
Guam	998,920	1,083,692	424,872	249,425	444,063
Hawaii	2,602,848	2,444,553	979,439	1,312,033	2,155,184
Idaho	2,963,739	2,168,282	1,260,040	2,399,528	2,297,205
Nevada	4,723,952	5,075,888	1,466,115	4,311,120	3,446,673
Oregon	7,283,374	7,383,359	140,332	4,200,798	2,725,387
Washington	5,886,510	34,006,168	6,551,762	6,480,819	7,191,479
ITCN	137,226	60,440	4,945	207,287	67,116
Navajo Nation	1,770,210	1,463,406	499,314	392,161	392,380
ITCA	1,051,669	675,466	90,764	251,153	239,482
American Samoa	430,246	1,201,783	794,042	500,138	490,326
Northern Mariana	520,274	1,322,823	842,524	931,206	935,520
SUBTOTAL	**96,971,678**	**125,813,278**	**18,513,961**	**110,580,054**	**132,003,529**
NATIONAL	**$524,177,171**	**$535,836,725**	**$157,190,323**	**$371,440,759**	**$453,731,493**

Mr. Aderholt: Please provide the Committee with a table showing WIC infant participation that shows, by state, the total number of births and the number enrolled in the program for fiscal years 2009 through 2014.

Response: Final data from CDC's National Center for Health Statistics (NCHS) indicate that there were 4.2 million live births in the United States and its territories in calendar year 2009. Final data for 2010 indicate a decrease in live births to 4.05 million. Final data for 2011 indicate a further decrease in live births to 4.0 million. Final data for 2012 indicate the number of live births remained the same at 4.0 million. Preliminary data for 2013 also indicate the number of live births remained at 4.0 million. About 53 percent of infants participated in the WIC program in both 2009 and 2010. Infant participation in the WIC program decreased slightly to 52 percent in 2011. In 2012, infant participation in the WIC program decreased to about 51 percent. Estimates based on preliminary birth data, which is subject to change, suggest that the percent of infants participating in WIC decreased slightly, to 50 percent, in 2013.

NCHS live birth data for 2014 are not yet available. Additionally, NCHS does not project national or state level estimates of live births for future years.

Tables with final data for calendar year 2009, 2010, 2011, and 2012, as well as preliminary data for calendar year 2013 are provided for the record. The number of live births in the United States is from the National Vital Statistics Reports published by the NCHS (vol. 60, no. 1 for calendar year 2009, vol. 60, no. 2 for calendar year 2010, vol. 62, no. 1 for calendar year 2011, vol. 62, no. 9 for calendar year 2012, and vol. 63, no. 2 for preliminary data for calendar year 2013). Average monthly WIC participation figures are submitted to FNS by WIC State Agencies. The estimated percentage of infants who were served by WIC is calculated by dividing average monthly WIC infant participation by the number of live births.

Note: We have used calendar year data for the first five tables (although fiscal year data was requested) because NCHS reports live births

on a calendar year basis; therefore, the percentage of infants served by WIC must be calculated on a calendar year basis.

In addition, a table with average monthly WIC infant participation by State for fiscal year 2014 is also provided for the record.

[The information follows:]

	Live Births, Calendar Year 2009, Final Data[1]	Average Monthly WIC Infant Participation[2], Calendar Year 2009	Average Monthly Percent Served by WIC, Calendar Year 2009
Alabama	62,475	37,946	61%
Alaska	11,324	6,298	56%
American Samoa	1,340	1,213	91%
Arizona	92,798	52,380	56%
Arkansas	39,808	26,205	66%
California	527,020	310,750	59%
Colorado	68,628	27,267	40%
Connecticut	38,896	15,462	40%
Delaware	11,559	6,336	55%
District of Columbia	9,040	5,026	56%
Florida	221,394	124,390	56%
Georgia	141,377	78,294	55%
Guam	3,417	1,722	50%
Hawaii	18,887	8,835	47%
Idaho	23,737	10,531	44%
Illinois	171,163	85,134	50%
Indiana	86,673	44,803	52%
Iowa	39,701	17,668	45%
Kansas	41,396	19,521	47%
Kentucky	57,551	34,593	60%
Louisiana	64,973	41,802	64%
Maine	13,470	5,873	44%
Maryland	75,059	36,629	49%
Massachusetts	75,016	28,856	38%
Michigan	117,294	61,676	53%
Minnesota	70,646	31,113	44%
Mississippi	42,901	31,911	74%
Missouri	78,905	40,506	51%
Montana	12,257	5,308	43%
Nebraska	26,936	10,919	41%
Nevada	37,612	17,055	45%
New Hampshire	13,377	4,498	34%
New Jersey	110,331	42,198	38%
New Mexico	29,000	16,526	57%
New York	248,110	124,473	50%
North Carolina	126,845	68,333	54%
North Dakota	9,001	3,479	39%
Ohio	144,841	76,284	53%
Oklahoma	54,553	32,518	60%
Oregon	47,132	24,888	53%
Pennsylvania	146,434	63,403	43%
Puerto Rico	44,773	39,398	88%
Rhode Island	11,442	5,881	51%
South Carolina	60,620	37,536	62%
South Dakota	11,934	5,543	46%
Tennessee	82,211	47,467	58%
Texas	401,977	246,479	61%
Utah	53,887	18,545	34%
Vermont	6,110	3,187	52%
Virginia	105,059	39,574	38%
Virgin Islands	1,687	1,314	78%
Washington	89,313	42,001	47%
West Virginia	21,268	12,405	58%
Wisconsin	70,843	30,455	43%
Wyoming	7,881	3,373	43%
United States[3]	**4,181,882**	**2,215,773**	**53%**

[1] National Vital Statistics Reports, Table 10, Volume 60, Number 1, November 2011

[2] FNS program data, January, 2012. Participant counts for Indian Tribal Organizations are included in State totals.

[3] This U.S. total excludes 1,109 births in the Commonwealth of the Northern Mariana Islands

	Live Births, All Races, Final Data[1], CY2010	Average Monthly WIC Infant Participation[2], CY2010	Average Monthly Percent of Infants Served by WIC, CY2010
Alabama	60,050	37,099	62%
Alaska	11,471	6,273	55%
American Samoa	1,234	1,151	93%
Arizona	87,477	49,469	57%
Arkansas	38,540	25,506	66%
California	510,198	295,699	58%
Colorado	66,355	27,165	41%
Connecticut	37,708	14,382	38%
Delaware	11,364	5,837	51%
District of Columbia	9,165	4,859	53%
Florida	214,590	119,854	56%
Georgia	133,947	74,378	56%
Guam	3,416	1,907	56%
Hawaii	18,988	8,600	45%
Idaho	23,198	10,499	45%
Illinois	165,200	81,872	50%
Indiana	83,940	43,980	52%
Iowa	38,719	17,202	44%
Kansas	40,649	19,394	48%
Kentucky	55,784	34,226	61%
Louisiana	62,379	40,916	66%
Maine	12,970	5,859	45%
Maryland	73,801	35,726	48%
Massachusetts	72,865	27,482	38%
Michigan	114,531	64,177	56%
Minnesota	68,610	29,953	44%
Mississippi	40,036	27,607	69%
Missouri	76,759	39,083	51%
Montana	12,060	5,342	44%
Nebraska	25,918	10,538	41%
Nevada	35,934	17,913	50%
New Hampshire	12,874	4,410	34%
New Jersey	106,922	38,406	36%
New Mexico	27,850	15,388	55%
New York	244,375	121,878	50%
North Carolina	122,350	67,029	55%
North Dakota	9,104	3,444	38%
Ohio	139,128	72,869	52%
Oklahoma	53,238	31,759	60%
Oregon	45,540	23,979	53%
Pennsylvania	143,321	63,765	44%
Puerto Rico	42,153	40,712	97%
Rhode Island	11,177	5,683	51%
South Carolina	58,342	36,494	63%
South Dakota	11,811	5,453	46%
Tennessee	79,495	44,852	56%
Texas	386,118	243,292	63%
Utah	52,258	18,229	35%
Vermont	6,223	2,941	47%
Virginia	103,002	39,147	38%
Virgin Islands	1,600	1,223	76%
Washington	86,539	39,921	46%
West Virginia	20,470	12,071	59%
Wisconsin	68,487	29,412	43%
Wyoming	7,556	3,306	44%
United States	**4,047,789**	**2,149,607**	**53%**
+ CNMI	**1,072**		
CDC total	**4,048,861**		

[1] Births: Final data for 2010, volume 61, number 1 (released August, 2012). "Table 11. Births by Hispanic origin of mother and by race for mothers of non-Hispanic origin: United States, each state and territory, 2010." Available online at http://www.cdc.gov/nchs/data/nvsr/nvsr61/nvsr61_01.pdf

[2] From FNS National Data Bank, January, 2013. Available online at http://www.fns.usda.gov/pd/wicmain.htm.

	Live Births, All Races, Final Data[1], CY2011	Average Monthly WIC Infant Participation[2], CY2011	Average Monthly Percent of Infants Served by WIC, CY2011
Alabama	59,354	35,870	60%
Alaska	11,456	6,194	54%
American Samoa	1,256	1,090	87%
Arizona	85,543	47,828	56%
Arkansas	38,715	24,488	63%
California	502,120	294,156	59%
Colorado	65,055	24,791	38%
Connecticut	37,281	13,897	37%
Delaware	11,257	5,671	50%
District of Columbia	9,295	4,764	51%
Florida	213,414	117,944	55%
Georgia	132,409	71,520	54%
Guam	3,294	1,781	54%
Hawaii	18,956	8,542	45%
Idaho	22,305	9,851	44%
Illinois	161,312	78,320	49%
Indiana	83,701	41,926	50%
Iowa	38,214	16,561	43%
Kansas	39,642	18,686	47%
Kentucky[3]	55,370	41,318	75%
Louisiana	61,888	39,471	64%
Maine	12,704	5,639	44%
Maryland	73,093	35,693	49%
Massachusetts	73,166	27,774	38%
Michigan	114,008	63,599	56%
Minnesota	68,409	28,398	42%
Mississippi	39,860	26,311	66%
Missouri	76,117	37,861	50%
Montana	12,069	4,639	38%
Nebraska	25,720	9,980	39%
Nevada	35,296	17,851	51%
New Hampshire	12,851	4,307	34%
New Jersey	105,883	37,959	36%
New Mexico	27,289	14,971	55%
New York	241,312	120,971	50%
North Carolina	120,389	64,937	54%
North Dakota	9,527	3,402	36%
Ohio	137,918	69,535	50%
Oklahoma	52,272	30,194	58%
Oregon	45,155	23,703	52%
Pennsylvania	143,178	62,433	44%
Puerto Rico	41,080	40,055	98%
Rhode Island	10,960	5,487	50%
South Carolina	57,393	35,061	61%
South Dakota	11,846	5,287	45%
Tennessee	79,588	43,158	54%
Texas	377,445	231,756	61%
Utah	51,223	16,646	32%
Vermont	6,078	2,839	47%
Virginia	102,652	38,328	37%
Virgin Islands	1,491	1,133	76%
Washington	86,976	38,304	44%
West Virginia	20,717	11,636	56%
Wisconsin	67,810	27,879	41%
Wyoming	7,399	3,164	43%
United States[4]	**4,000,711**	**2,095,554**	**52%** [3]
United States without Kentucky[3,4]	**3,945,341**	**2,054,237**	**52%**

[1] Births: Final data for 2011, volume 62, number 1 (June 28, 2013). "Table 11. Births by Hispanic origin of mother and by race for mothers of non-Hispanic origin: United States, each state and territory, 2011." Available online at http://www.cdc.gov/nchs/data/nvsr/nvsr62/nvsr62_01.pdf

[2] From FNS National Data Bank, September, 2013.

[3] Kentucky's infant counts mid-way through CY 2011 are wrong. The region and WIC know and have asked for corrected data, to no avail.

[4] This U.S. total excludes 1,033 births in the Commonwealth of the Northern Mariana Islands

	Live Births, All Races, Final Data[1], CY2012	Average Monthly WIC Infant Coverage[2], CY2012	Average Monthly Percent of Infants Served by WIC, CY2012
Alabama	58,448	35,492	61%
Alaska	11,187	5,860	52%
American Samoa	1,163	1,103	95%
Arizona	86,441	46,966	54%
Arkansas	38,347	24,426	64%
California	503,755	288,351	57%
Colorado	65,187	23,108	35%
Connecticut	36,539	14,052	38%
Delaware	11,023	5,475	50%
District of Columbia	9,399	4,744	50%
Florida	213,148	118,014	55%
Georgia	130,280	70,318	54%
Guam	3,590	1,907	53%
Hawaii	18,980	8,588	45%
Idaho	22,963	10,086	44%
Illinois	159,160	75,652	48%
Indiana	83,227	40,350	48%
Iowa	38,702	16,597	43%
Kansas	40,341	17,961	45%
Kentucky	55,758	34,174	61%
Louisiana	62,642	38,330	61%
Maine	12,798	5,609	44%
Maryland	72,883	35,279	48%
Massachusetts	72,439	27,857	38%
Michigan	113,091	63,520	56%
Minnesota	68,772	27,788	40%
Mississippi	38,669	25,947	67%
Missouri	75,446	37,286	49%
Montana	12,118	4,677	39%
Nebraska	25,942	9,748	38%
Nevada	34,911	17,888	51%
New Hampshire	12,352	4,077	33%
New Jersey	104,230	38,362	37%
New Mexico	27,068	14,895	55%
New York	240,916	118,534	49%
North Carolina	119,831	64,530	54%
North Dakota	10,106	3,356	33%
Ohio	138,483	68,758	50%
Oklahoma	52,751	29,627	56%
Oregon	45,067	23,500	52%
Pennsylvania	142,514	62,096	44%
Puerto Rico	38,900	38,897	100%
Rhode Island	10,926	5,586	51%
South Carolina	57,155	34,641	61%
South Dakota	12,104	5,088	42%
Tennessee	80,371	43,874	55%
Texas	382,727	227,393	59%
Utah	51,465	15,161	29%
Vermont	6,009	2,864	48%
Virginia	103,013	39,096	38%
Virgin Islands	1,415	1,151	81%
Washington	87,463	38,121	44%
West Virginia	20,827	11,465	55%
Wisconsin	67,295	27,515	41%
Wyoming	7,572	2,994	40%
United States	**3,997,909**	**2,058,732**	**51%**
+ CNMI	**853**		
CDC total	**3,998,762**		

[1] Births: Final data for 2012, volume 62, number 9 (released August, 2012). "Table 11. Births, by Hispanic origin of mother and by race for mothers of non-Hispanic origin: United States, each state and territory, 2012." Available online at www.cdc.gov/nchs/data/nvsr/.../nvsr62_09.p

[2] From FNS National Data Bank, February, 2014

	Live Births, All Races, Preliminary Data[1], CY2013	Average Monthly WIC Infant Participation[2], CY2013	Average Monthly Percent of Infants Served by WIC, CY2013
Alabama	58,444	34,685	59%
Alaska	11,425	5,684	50%
American Samoa	1,077	1,093	101%
Arizona	86,244	45,848	53%
Arkansas	38,330	23,713	62%
California	503,738	279,509	55%
Colorado	65,127	22,023	34%
Connecticut	36,088	13,563	38%
Delaware	11,001	5,248	48%
District of Columbia	9,303	4,600	49%
Florida	215,412	115,910	54%
Georgia	130,541	66,581	51%
Guam	*	1,937	n/a
Hawaii	18,997	8,470	45%
Idaho	22,385	10,253	46%
Illinois	159,422	73,085	46%
Indiana	83,091	40,079	48%
Iowa	39,067	16,434	42%
Kansas	38,841	16,936	44%
Kentucky	55,652	33,873	61%
Louisiana	63,138	37,740	60%
Maine	12,828	5,426	42%
Maryland	73,029	34,613	47%
Massachusetts	71,795	27,429	38%
Michigan	113,443	63,105	56%
Minnesota	69,160	28,366	41%
Mississippi	38,623	26,117	68%
Missouri	75,678	36,698	48%
Montana	12,334	4,782	39%
Nebraska	26,093	9,514	36%
Nevada	35,042	17,922	51%
New Hampshire	12,407	3,926	32%
New Jersey	103,696	37,563	36%
New Mexico	26,341	14,345	54%
New York	241,005	115,141	48%
North Carolina	119,796	62,954	53%
North Dakota	10,609	3,304	31%
Ohio	140,026	67,674	48%
Oklahoma	53,398	29,154	55%
Oregon	45,136	22,840	51%
Pennsylvania	140,892	63,641	45%
Puerto Rico	39,002	36,306	93%
Rhode Island	10,808	5,526	51%
South Carolina	57,159	33,123	58%
South Dakota	12,312	4,784	39%
Tennessee	79,940	43,075	54%
Texas	387,313	225,234	58%
Utah	50,937	14,971	29%
Vermont	5,976	2,764	46%
Virginia	102,926	38,105	37%
Virgin Islands	---	1,048	n/a
Washington	87,467	37,381	43%
West Virginia	20,896	11,518	55%
Wisconsin	66,651	26,628	40%
Wyoming	7,613	2,755	36%
United States	**3,997,654**	**2,014,994**	**50%**
+ CNMI	---		
CDC total	**3,997,654**		

--- Data not available.

* Figure does not meet standards of reliability or precision; less than 75% of data for the area were available as of release of the preliminary file.

[1] Births: Preliminary Data for 2013, volume 63, number 2 (released May, 2014). "Table 5. Births, by race and Hispanic origin of mother: United States and each state and territory, preliminary 2013." Available online at http://www.cdc.gov/nchs/data/nvsr/nvsr63/nvsr63_02.pdf

[2] From FNS National Data Bank, February, 2014

Number of Infant WIC Participants by State
FY 2014 through June
(Source: FNS Administrative Data)

State/Territory	FY 2014
Alabama	33,946
Alaska	5,452
American Samoa	1,058
Arizona	44,469
Arkansas	23,027
California	269,801
Colorado	21,693
Connecticut	13,161
Delaware	5,166
District of Columbia	4,348
Florida	113,203
Georgia	64,160
Guam	1,894
Hawaii	8,108
Idaho	10,162
Illinois	70,715
Indiana	39,365
Iowa	16,201
Kansas	16,248
Kentucky	31,403
Louisiana	36,944
Maine	5,474
Maryland	33,579
Massachusetts	26,422
Michigan	62,210
Minnesota	27,569
Mississippi	25,810
Missouri	37,200
Montana	4,725
Nebraska	9,464
Nevada	17,673
New Hampshire	3,775
New Jersey	36,509
New Mexico	13,909
New York	110,074
North Carolina	60,785
North Dakota	3,227
Ohio	65,647
Oklahoma	28,577
Oregon	22,360
Pennsylvania	61,878
Puerto Rico	34,278
Rhode Island	5,404
South Carolina	31,790
South Dakota	4,771
Tennessee	42,031
Texas	221,888
Utah	14,282
Vermont	2,697
Virginia	36,484
Virgin Islands	1,006
Washington	37,365
West Virginia	11,075
Wisconsin	25,776
Wyoming	2,776
Outlying Areas	667
US	**1,959,686**

Breatfeeding Peer Counselors

Mr. Aderholt: For total FNS resources available for this program, how many WIC clinics would be served by breastfeeding peer counselors? What percent of women would be able to receive counseling?

Response: Currently, all geographic WIC State agencies and all but 4 WIC Indian Tribal Organizations and Territories operate peer counseling programs in accordance with the FNS *Loving Support* Model. FNS collected data from WIC State agencies in 2012 showing that approximately 3,800 Peer Counselors are providing breastfeeding peer counseling services to WIC participants. While we do not yet have data on the number of clinics in each local agency or the percentage of women receiving peer counseling services, the FY 2010 funding ($80 million) represented the estimated cost to fund a peer counseling program at every WIC local agency. This figure was based on preliminary data from an evaluation of WIC peer counseling being conducted by FNS.

FNS has a contract underway to conduct the WIC Breastfeeding Policy Inventory, which will collect data on the number of peer counselor programs and the number of peer counselors. A final report is expected by the end of 2014.

WIC Nutrition Services and Administration

Mr. Aderholt: Please provide for the record, the amount of Nutrition Services and Administration (NSA) funds obligated for each of fiscal years 2009 through 2013. Include the amounts spent on program management, client services, nutrition education, and breastfeeding promotion within the total.

Response: The information is provided for the record.

[The information follows:]

WIC Program
NSA Funds Obligated by State Agencies
Fiscal Years 2009 - 2013

Fiscal Year	Program Management*	Client Services*	Nutrition Education*	Breastfeeding Promotion*	Total NSA Expenditures*
2009	$557,973,409	$709,575,365	$399,355,475	$129,068,499	$1,795,972,748
2010	$591,735,448	$758,106,814	$418,616,675	$148,568,358	$1,917,027,295
2011	$620,553,681	$748,264,713	$437,536,045	$162,126,429	$1,968,480,868
2012	$608,508,512	$720,710,592	$405,895,658	$156,987,492	$1,892,102,254
2013	$635,821,428	$690,765,092	$404,993,399	$154,314,330	$1,885,894,249

* Data Source: National Data Bank - WIC Program SNFA013-04 Reports for FYs 2009 - 2013 (Report Date: 09/25/14).

WIC Program Oversight and Integrity

Mr. Aderholt: What is FNS currently doing to monitor WIC's compliance with provisions of the Improper Payments Information Act? What new efforts are aimed at reducing or eliminating incidences of fraud, waste and abuse in the WIC program?

Response: For certification error, FNS conducts a nationally-representative study of WIC participating households using in-home income audits on a decennial cycle approved by the Office of Management and Budget. For the most recent version, the study included analysis of payments for redeemed WIC food instruments to determine the dollar value and rate of WIC improper payments due to certification error. The results are aged to generate the estimates that appear in the USDA Performance and Accountability Report. For vendor error, FNS uses information collected from periodic studies to estimate the value of vendor overcharges and undercharges. The most recent studies were conducted in 2005 and 2012. For 2013, FNS estimates the rates of overpayment and underpayment by applying the average annual percent changed in the rates from 2005 and 2012 to the estimated 2013 rates.

FNS has taken several actions to reduce the extent of improper payments. Actions to prevent or minimize vendor-related improper payments include mandatory disqualification of vendors disqualified by the Supplemental Nutrition Assistance Program, permanent disqualification of vendors convicted of trafficking and illegal sales, three-year disqualifications for overcharging and charging for food not received, and nationwide standards for vendor authorization, training and monitoring. Additionally, in February 2014, FNS issued a comprehensive policy memo that identifies the proper treatment of all types of vendor incentives (*Vendor Management: Incentive Items, Vendor Discounts and Coupons*) to ensure consistency at a national level. Actions to prevent or minimize certification-related errors include requirements for income documentation for WIC applicants in all State agencies, mandatory one-year disqualifications for the most serious participant violations, including dual participation and misrepresentation of income, preventing conflicts of interest such as clinic staff certifying themselves, close friends or relatives and requiring State agencies to maintain information on participant and employee fraud and abuse.

Mr. Aderholt: How much were the States provided for integrity enforcement in fiscal years 2011, 2012, 2013 and what are the estimates for fiscal year 2014? What level of funding is provided by the States to support integrity enforcement for FNS programs?

Response: FNS makes funds available to participating State health departments and Indian Tribal Organizations (ITOs) that, in turn, distribute the funds to participating local agencies. State and local agencies use WIC funds to pay the costs of specified supplemental foods provided to WIC participants, and to pay for nutrition services and administration (NSA) costs, including program management costs. Under the category of "program management", NSA funding supports activities such as program oversight and management, vendor management including both covert and overt monitoring, and other integrity related activities. It is worth noting that USDA did not request additional resources for WIC program integrity in the FY 2015 President's Budget.

However, during FY 2014, USDA implemented a number of improvements to the federal WIC program oversight and integrity area. This included a reorganization that established a new WIC Program Integrity and Monitoring Branch within FNS. The federal staff are focusing more direct attention on program integrity issues including providing direct technical assistance to individual WIC State agencies to ensure the effectiveness of participant certification and vendor management policies. These include competitive

price criteria and maximum allowable reimbursement rates; sponsoring National, regional and State training and information conferences to facilitate the exchange of effective vendor authorization and investigation strategies, as well as strategies to identify and prevent participant abuse; performing in-depth targeted review of high risk program areas; development of model software to assist State agencies in preventing and identifying program abuse.

NSA funding information is provided in a separate response (NSA Funds Obligated by State Agencies).

National School Lunch and Breakfast Program

Mr. Aderholt: USDA officials have been quoted as stating that participation in school meal programs has increased since implementation of the meal pattern regulations. Yet, a recent Government Accountability Office (GAO) study, along with data from the School Nutrition Association, shows that nationwide participation in the school lunch program declined by 1.2 million students (3.7 percent). Since the new nutrition standards were implemented, has participation in the National School Lunch Program increased or decreased?

Response: Total average daily participation in the school lunch program has decreased from fiscal year 2011 through 2014 and is currently at about the same level as it was in 2006. However, within the total, there have been marked differences in behavior between children who receive free meals and those who pay full price for meals. Free participation has been increasing since 2006. Over 4.2 million more children receive free lunches on any given school day in 2014 as compared to 2006. Conversely, participation by children paying full price for their lunches has been dropping since 2006. About 3.6 million fewer children are paying full price for their lunches in 2014 as compared to 2006. The information is provided for the record.

[The information follows:]

National School Lunch Program Average Daily Participation
FY 2006 - FY 2014
(numbers in thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
National School Lunch Program									
Free	14,775	14,961	15,392	16,280	17,579	18,354	18,721	18,936	19,076
Reduced Price	2,947	3,053	3,125	3,165	3,028	2,710	2,749	2,581	2,481
Paid	12,406	12,616	12,499	11,865	11,146	10,777	10,183	9,159	8,748
Total	30,128	30,630	31,016	31,310	31,753	31,841	31,653	30,676	30,305
Change in total participation		1.67%	1.26%	0.95%	1.41%	0.28%	-0.59%	-3.09%	-1.21%
Change in free participation		1.26%	2.88%	5.77%	7.98%	4.41%	2.00%	1.15%	0.74%
Change in paid participation		1.69%	-0.93%	-5.07%	-6.06%	-3.31%	-5.51%	-10.06%	-4.49%

Mr. Aderholt: Challenges with school meals will continue as more regulations go in to effect including the sodium reduction which starts in the 2014-15 school year. This Committee directed USDA to analyze the existing science around sodium reduction. There are a number of recent studies on sodium and some that are in the works -- including one by the Institute of Medicine (IOM) that found that limiting sodium to 1,500 mg a

day is dangerous and that there is nothing to support a 2,300 mg level. I hope the Department is looking at all the emerging science in this area including that on the negative health implications of sodium reduction. Can you give us an update on the status of USDA's scientific review and analysis on sodium reduction?

Response: USDA remains committed to applying the most up-to-date, evidence-based guidelines to all nutritional parameters set forth in the Child Nutrition Programs regulations. As required by Section 743 of the FY 2012 Agriculture Appropriations Act and as indicated in the preamble of the Nutrition Standards in the National School Lunch and School Breakfast Programs final rule (published January 2012), USDA continues to evaluate the science as it relates to studies on sodium intake and human health.

USDA has collaborated with the 2015 Dietary Guidelines Advisory Committee (DGAC) to review and analyze the most recent scientific literature evaluating the relationship between sodium intake and blood pressure among children. The DGAC Sodium Working Group, who presented their draft findings at the DGAC's fifth public meeting September 16-17, 2014, used an extensive systematic review process to critique relevant literature on this topic. As presented, the Working Group concluded that "evidence has documented that as sodium intake decreases, so does blood pressure in children, birth to 18 years of age." This conclusion statement remained unchanged from the 2010 DGAC conclusion statement.

The conclusions made by the DGAC demonstrate that science continues to support the 2010 Dietary Guidelines for Americans, the guidelines on which the National School Lunch and Breakfast Programs' sodium targets are currently based. As such, it does not appear that changes in these sodium targets are warranted at this time; however, further decisions will be made once the 2015 DGAC Final Report is published next year.

Mr. Aderholt: Mr. Concannon's testimony stated that, "… a recent study offers evidence that the updated meal patterns are having positive impacts on fruit and vegetable consumption, and are not resulting in greater plate waste." However, Cornell and Brigham Young Universities also conducted a study finding 70 percent of fruits and vegetables are being thrown away when automatically given to students. This is in stark contrast to the Under Secretary's statement. What study and evidence is FNS using to claim there is no greater plate waste? Is USDA taking into account studies with different, or negative, results and data?

Response: A study from the Harvard School of Public Health examined fruit and vegetable consumption in four, urban, low-income schools before and after new Federal school meal standards went into effect. The authors concluded that, in those schools, students selected more fruit and consumed more vegetables after implementation of the new meal standards. The authors also concluded there was no increase in plate waste after the new standards were put into place. However, plate waste was an issue of concern before implementation of the new standards, and the new standards have not solved that problem. Levels of waste in the studied schools were similar to those previously found in other urban, low-income schools in Massachusetts with a different ethnic mix.

Many factors contribute to plate waste. What and how food is served, portion sizes, how much time children have to eat, the time of day lunch is served, and whether recess is before or after lunch, are all related to how

much children eat. For example, a study showed that simply scheduling recess before lunch, instead of after, can reduce plate waste by as much as 30 percent. The amount of time children have to eat can also influence plate waste. One study showed that extending the lunch period from 20 to 30 minutes reduced plate waste from 44 to 27 percent.

USDA is concerned that it is not always possible for children to finish the school lunch (which includes grains, meat/meat alternate, vegetable, fruit and milk) within the time allotted by many schools. We have heard countless anecdotes of children simply discarding food due to lack of time to eat in the cafeteria. While USDA does not have authority to establish a minimum time period for breakfast or lunch, we urge schools to allow students a reasonable amount of time to select and consume the meal and to use innovative ways to offer meals such as breakfast in the classroom.

To reduce plate waste, we also encourage schools to conduct taste tests before introducing new foods on the menu, set up sharing tables to allow students to take and share uneaten food items (as allowed by public health regulations), and to permit students to take certain food items, such as a piece of whole fruit, out of the cafeteria to be eaten later in the school day. We also have the Offer versus Serve policy, which allows students to decline foods they do not intend to consume. And if schools have leftovers that can't be incorporated into a future menu, they may donate leftovers to food banks and specific non-for-profit organizations (in conformance with public health regulations) to further prevent wasting food.

USDA is working with Cornell University to improve our understanding of how lunchroom factors, such as meal presentation, good lighting and creative names of foods, can be effectively used to influence student food choices and consumption. *Smarter Lunchroom* strategies can facilitate student selection and consumption of healthy foods by nearly 70 percent. And we are supporting use of those strategies by targeting the Fiscal Year 2014 Team Nutrition training grants, of approximately $5.5 million, initiatives related to creating *Smarter Lunchrooms*.

Plate waste is not an issue limited to the NSLP. Studies suggest that Americans throw away nearly one-third of the food they buy--an estimated 133 billion pounds in 2010 (a $161.6 billion value). While some plate waste in the NSLP seems inevitable, lowering plate waste can make program operations more efficient and lower costs. USDA will continue to monitor this issue. The next School Nutrition and Meal Cost Study (SNDA V) will address plate waste in the school meal programs. In addition, USDA's Economic Research Service will research strategies that may reduce plate waste in school cafeterias.

Mr. Aderholt: USDA reports that approximately 90 percent of schools are in compliance with the new nutrition standards and are certified for the performance based reimbursement. Who is responsible for ensuring schools are in compliance and certified? Is this a self-certification process by the school food authorities or has someone been on-site to verify the SFAs are in compliance?

Response: The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) requires USDA to provide an additional 6 cents per lunch reimbursement to school food authorities (SFAs) certified by a State agency to be in compliance with the new meal pattern requirements.

The certification process for the 6 cents performance-based reimbursement begins when a SFA applies for certification by either submitting certification documentation to their State agency or completing certification documentation with their State agency's guidance during an on-site review. The State agency then makes a certification determination within 60 days. In addition, certified SFAs annually attest to ongoing compliance with the meal patterns through the last year of meal pattern implementation, School Year (SY) 2014-2015.

During SY 2012-13, State agencies conducted on-site validation reviews of 25 percent of certified SFAs. The purpose of the validation review was to affirm that a certified SFA has been and continues to meet the updated meal patterns from the beginning of the certification and to ensure that the meal service at the time of the validation review was consistent with the certification documentation submitted by the SFA. The validation review requirement did not extend beyond SY 2012-2013 because ongoing compliance with the meal pattern requirements is monitored during on-site administrative reviews. The new three-year administrative review cycle began on July 1, 2013.

Mr. Aderholt: Please explain how the community eligibility (CE) option will work as it is expanded nationwide in the 2014-15 school year. What are the qualifications for schools to participate, and what steps do schools have to take in order to participate in CE? How many schools and students does USDA estimate will take advantage of CE? What are the estimated costs to both the national school lunch program and school breakfast program as CE goes nationwide?

Response: The Community Eligibility Provision (CEP) is an option that allows school districts in high poverty areas to offer school meals to students at no cost. CEP is an alternative to household applications, and relies on participation in other assistance programs - such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance to Needy Families (TANF) - to certify students for free meals.

By eliminating individual household applications, CEP makes it easier for low-income children to get free meals in the National School Lunch and School Breakfast Programs. Access to healthy school meals, at no cost to families who need it most, can reduce food insecurity for the nearly 16 million children living in households that have trouble affording nutritious food.

The Healthy, Hunger-Free Kids Act required Community Eligibility to be phased in over three years in a limited number of States. During the phase-in period, CEP was successfully implemented in almost 4,000 schools, providing free meals to more than 1.5 million students in high poverty areas.

CEP became available nationwide on July 1, 2014. To facilitate this transition, USDA worked - and continues to work - closely with States to provide guidance and technical assistance when needed. One such example is USDA extending the June 30 election deadline to August 31 to give local educational agencies (LEAs) additional time to determine if CEP would be a viable option.

LEAs may elect to participate in CEP district-wide, for a group of schools, or for an individual school. To be eligible, schools must serve

lunches and breakfasts to all students at no cost, and have at least 40 percent of their total student enrollment directly certified for free meals. These direct certifications, or data matches, are largely electronic, having the potential to increase program integrity by reducing administrative errors and misreporting. Eligible districts interested in electing for some or all schools should contact their State agency.

Community Eligibility has great potential to bring the promise of healthy school meals to even more children nationwide. Almost 3,000 school districts are eligible for CEP district-wide covering more than 22,000 schools and potentially offering free school meals to over 8.8 million children in high poverty areas.

USDA estimates that CE will result in an increase in school lunch meal reimbursements of 1 to 2 percent in FY 2015. USDA also estimates that school breakfast meal reimbursements will increase by about 3 percent as a result of CE in FY 2015.

Mr. Aderholt: We continue to hear from schools and a number of groups representing the school food authorities and States about the rising level of unpaid meal charges left delinquent by parents. Last year, USDA indicated it was collecting national data on this issue to determine next steps. Will USDA be issuing guidance to provide suggestions for schools to handle unpaid meal charges? What are the next steps?

Response: In March 2014, FNS released the Special Nutrition Program Operations Study (SN-OPS), a multiyear, nationally representative study designed to provide FNS with a snapshot of current State and LEA policies and practices, including information on school meal standards, competitive foods standards, school lunch pricing and accounting. As part of the SN-OPS study, FNS examined State and local meal charge policies. This study revealed that in School Year 2011-12, most States defer local meal charge policies to local educational agencies (LEAs) and their policies for serving meals to students who do not have funds to pay for meals vary considerably. LEAs' policies range from denying a meal to serving a reimbursable meal or alternate meal to students for a limited number of days. In terms of revenue, on average, for all the LEAs that reported that they lost some revenue as a result of unpaid meals, the net revenue lost was less than 1 percent of total expenditures for the year. Despite this, FNS realizes that for a small number of LEAs unpaid meal charges is a significant issue with very large debts associated with unpaid charges.

While the SN-OPS study provides good background on this issue, FNS is also gathering more detailed information on State and local meal charge policies and procedures. Section 143 of the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) requires FNS - in conjunction with States and participating LEAs - to examine and report on the current policies and practices of State agencies and LEAs regarding extending credit to children by allowing them to "charge" the cost of school meals on the day of service.

FNS will soon publish a Request for Information in the Federal Register seeking information from all affected parties regarding State and LEA current policies regarding extending credit to children by allowing them to "charge" the cost of school meals on the day of service. Specifically, FNS is interested in commenters providing details of policies and procedures in their State or LEA and the advantages and challenges associated with those procedures.

FNS intends to use the information it receives to prepare a report on the feasibility of establishing national standards for meal charges and the provision of alternate meals and to provide recommendations for implementing those standards, if applicable, as required by the HHFKA. Information submitted to FNS will also help to develop "Best Practices" guidance for meal charge policies and assist FNS in developing recommendations for Congressional review.

Mr. Aderholt: USDA's National School Lunch Program and School Breakfast Program have improper payment rates of 16 percent and 25 percent, respectively. Improper payments in these programs totaled $2.6 billion for fiscal year 2013. When will the APEC-II study results be available?

Response: We anticipate releasing the APEC II study in late 2014.

Child Nutrition Programs

Mr. Aderholt: Ms. Rowe's written testimony describes the efforts that have been underway to increase participation in the Summer Food Service Program. FNS will expand a model for promoting the summer program in Alabama and five other states later this summer.

a. Can you provide more details about this model and how it will work?

b. The budget request asks for an additional $30 million to expand the Summer EBT demonstration projects. Can you tell us more about this effort and how this funding would be used?

Response to (a): The model to promote the summer program in Alabama and five other States this past summer was an extension of USDA's Summer Food Service Program (SFSP) State Targeted Technical Assistance Project that began in 2013. USDA's overall goal for the SFSP State Targeted Technical Assistance Project is to increase access to summer meals and narrow the gap between the number of children receiving free and reduced price meals during the school year and those receiving summer meals. Best Practices gathered from the work with the targeted States will be shared with all States nationwide to assist in improving access to summer meals.

In 2013, USDA targeted five States to receive intensive technical assistance from USDA employees to increase the reach of the SFSP to children in need. The type of technical assistance provided was based on each State's identified needs. The 2013 target States included: Arkansas, California, Colorado, Rhode Island, and Virginia. Meetings were held with all State agencies and their local stakeholders to assess barriers to feeding hungry children in the summer months and to establish goals and action plans to address these challenges. The goal of the first year of the project was to serve an additional 5 million meals nationwide. This goal was exceeded, with an increase of over 7 million additional meals served in summer 2013.

In 2014, USDA expanded this initiative to include six additional target States: Alabama, Illinois, Mississippi, Missouri, Nevada, and Texas. Each of the 11 targeted States held stakeholder meetings in spring 2014 to create action plans to improve summer meal program participation. Debriefing meetings are occurring in the fall of 2014 to reflect on summer 2014 outcomes and begin planning for summer 2015. The goal of the second year of this project was to serve an additional 10 million meals nationwide.

Response to (b): The Summer Electronic Benefits Transfer for Children (SEBTC) demonstration was authorized by the 2010 Agriculture Appropriations Act (P.L. 111-80) which required USDA to test and evaluate innovative methods for feeding children during the summer. The project has been implemented every summer since 2011 in a total of eight States and two Indian Tribal Organizations.

The evaluation of the 2012 implementation year indicated that these projects reduced very low food security among children by one third. In 2013, USDA evaluated the impact of a $60 monthly benefit compared to a $30 monthly benefit on food insecurity. The results of this study will be available in fall 2014.

Given the success of the project at reducing food insecurity in the summer, USDA would like to assess the project's implementation statewide or in rural areas where it is particularly hard to reach children with the traditional summer meals program. This would provide USDA with information about how to operate SEBTC on a larger scale than it has been implemented previously.

Mr. Aderholt: Both the Fiscal Year 2013 and 2014 agriculture appropriations bills included funding for school meals equipment grants. How can we make sure that rural districts get a fair chance at receiving these grants?

Response: USDA targeted equipment assistance funding to States with the greatest potential to maximize the available funding by evaluating a set of criteria indicating "need". During the grant award process, including solicitation and obligation, FNS expected States to build on the American Recovery and Reinvestment and Act of 2009 and FY 2010 National School Lunch Program Equipment Assistance funding criteria, which targeted low income districts via a competitive grants process that is fair and equitable, while prioritizing awards based on a high eligibility rate for free and reduced price meals and need. When awarding these grants, States were required to use specific grant criteria developed by FNS to best meet the needs of school districts, including schools located in underserved areas, schools with limited access to other resources, and schools with aged food service equipment.

Mr. Aderholt: For each category, paid lunch, free meals, and reduced price meals, what were the federal costs for fiscal years 2010 through 2013?

Response: The information is provided for the record.

[The information follows:]

	Federal Cost of National School Lunch Program ($ millions)			
	Paid	Reduced Price	Free	Total
FY 2010	$470.8	$1,174.1	$8,287.9	$9,932.8
FY 2011	$477.5	$1,086.4	$8,757.0	$10,320.8
FY 2012	$442.9	$1,102.2	$8,881.7	$10,426.8
FY 2013	$658.6	$1,051.9	$9,346.8	$11,057.3

Mr. Aderholt: How much did USDA spend in fiscal years 2010 through 2013 for the snack programs?

Response: The information is provided for the record.

[The information follows:]

	Fiscal Year 2010 ($ millions)	Fiscal Year 2011 ($ millions)	Fiscal Year 2012 ($ millions)	Fiscal Year 2013 ($ millions)
National School Lunch Program, Snacks only	$162.3	$161.1	$169.7	$166.2
Child and Adult Care Food Program, Snacks only	$400.0	$401.1	$416.7	$425.0
Total	$562.3	$562.2	$586.4	$591.2

Mr. Aderholt: Please provide a table showing the amount of state administrative expenses (SAE) that have been carried over, the amount of original allocation, and the percent of the allocation carried over. Include data from fiscal years 2009 through 2013.

Response: The information is provided for the record.

[The information follows:]

State Administrative Expenses 2009 to 2013			
Fiscal Year	**Initial SAE Allocation**	**Carryover Amount**	**Percent of Allocation Carried Over**
2013	$237,868,869	$38,621,172	16.20%
2012	$224,915,809	$39,283,114	17.47%
2011	$206,194,551	$34,833,549	16.89%
2010	$191,308,525	$32,648,984	17.07%
2009	$177,842,407	$27,760,852	15.61%

Mr. Aderholt: Please update the table that appears in last year's hearing record showing the number of schools, institutions, and summer camps that participate in the Special Milk Program. Please provide the Committee with the amount spent on this program for each of fiscal years 2009 through 2013 and estimates for FY 2014.

Response: The information is provided for the record.

[The information follows:]

Fiscal Year	Schools	Institutions	Summer Camps	Total
2009	4,274	630	704	5,608
2010	3,947	975	747	5,669
2011	3,840	525	775	5,140
2012	3,672	482	571	4,725
2013	3,595	505	588	4,688

The amounts obligated are as follows:

FY 2009--$14,285,671
FY 2010--$12,063,656
FY 2011--$12,381,000
FY 2012--$12,629,000
FY 2013--$10,760,000
FY 2014--$10,606,000 (projected)

Mr. Aderholt: Please provide a list of the Federal studies regarding sodium intake that USDA is reviewing or has used in the development of federal nutrition policies, regulations or guidance over the past three years.

Response: USDA applies nutrition principles posited in the Dietary Guidelines for Americans when developing federal nutrition policies, regulations, and guidance. Over the past three years, USDA has reviewed literature compiled for the 2010 Dietary Guidelines for Americans Committee (DGAC) as well as more recent (2010-2014) peer-reviewed studies compiled for the 2015 DGAC.

The following list of studies was reviewed by USDA and provided to the 2015 DGAC Sodium Working Group when considering the question: *What is the relationship between sodium intake and blood pressure in children from 2 to 18 years of age?* The group critiqued these studies and used them to formulate their draft conclusion statement which was presented at DGAC's fifth public meeting (September 2014).

1. Brion MJ, Ness AR, Davey Smith G, Emmett P, Rogers I, Whincup P, Lawlor DA. et al. Sodium intake in infancy and blood pressure at 7 years: Findings from the Avon Longitudinal Study of Parents and Children. *Eur J Clin Nutr.* 2008.

2. Calabrese EJ, Tuthill RW. The Massachusetts Blood Pressure Study, Part 3. Experimental reduction of sodium in drinking water: Effects on blood pressure. *Toxicol Ind Health.* 1985; 1: 19-34. PMID: 3842544.

3. Cooper R, Van Horn L, Liu K, Trevisan M, Nanas S, Ueshima H, Larbi E, Yu C-S, Sempos C, LeGrady D, Stamler J. A randomized trial on the effect of decreased dietary sodium intake on blood pressure in adolescents. *J Hypertens.* 1984; 2: 361-366. PMID: 6530546.

4. Cotter J, Cotter MJ, Oliveira P, Cunha P, Polonia J. Salt intake in children 10-12 years old and its modification by active working practices in a school garden. J Hypertens 2013;31(10):1966-71. PMID: 24107730.

5. Geleijnse JM, Hofman A, Witteman JC, Hazebroek AA, Valkenburg HA, Grobbee DE. Long-term effects of neonatal sodium restriction on blood pressure. *Hypertension*. 1997; 29: 913-917. PMID: 9095076.

6. Geleijnse JM, Grobbee DE, Hofman A. Sodium and potassium intake and blood pressure change in childhood. *BMJ*. 1990; 300: 899-902.

7. Gillum RF, Elmer PJ, Prineas RJ. Changing sodium intake in children. The Minneapolis Children's Blood Pressure Study. *Hypertension*. 1981; 3: 698-703. PMID: 7298122.

8. Hofman A, Hazebroek A, Valkenburg HA. A randomized trial of sodium intake and blood pressure in newborn infants. *JAMA*. 1983; 250: 370-373. PMID: 6343656.

9. Howe PRC, Cobiac L, Smith RM. Lack of effect of short-term changes in sodium intake on blood pressure in adolescent schoolchildren. *J Hypertens*. 1991; 9: 191-186.

10. Howe PRC, Jureidini KF, Smith RM. Sodium and blood pressure in children - a short-term dietary intervention study. *Proc Nutr Soc Aust*. 1985; 10: 121-124.

11. Lucas A, Morley R, Hudson GJ, Bamford MF, Boon A, Crowle P, Dossetor JF, Pearse R. Early sodium intake and later blood pressure in preterm infants. *Arch Dis Child*. 1988 Jun; 63(6): 656-657. PMID: 3389898; PMCID: PMC1778882.

12. Myers JB. Reduced sodium chloride intake normalises blood pressure distribution. *J Hum Hypertens*. 1989; 3: 97-104. PMID: 2760911.

13. Palacios C, Wigertz K, Martin BR, Jackman L, Pratt JH, Peacock M, McCabe G, Weaver CM. Sodium retention in black and white female adolescents in response to salt intake. *J Clin Endocrinol Metab*. 2004; 89: 1, 858-1, 863.

14. Pomeranz A, Dolfin T, Korzets Z, Eliakim A, Wolach B. Increased sodium concentrations in drinking water increase blood pressure in neonates. *J Hypertens*. 2002; 20: 203-207. PMID: 11821704. Infants (Hand Search 04/07/09)

15. Shi L, Krupp D, Remer T. Salt, fruit and vegetable consumption and blood pressure development: a longitudinal investigation in healthy children. Br J Nutr 2014;111(4):662-71. PMID: 24326147.

16. Sinaiko AR, Gomez-Marin O, Prineas RJ. Effect of low sodium diet or potassium supplementation on adolescent blood pressure. *Hypertension*. 1993; 21: 989-994.

17. Smith RE, Kok A, Rothberg AD, Groeneveld HT. Determinants of blood pressure in Sowetan infants. *S Afr Med J*. 1995 Dec; 85(12 Pt 2): 1, 339-1, 342. PMID: 8600606.

18. Trevisan M, Cooper R, Ostrow D, Miller W, Sparks S, Leonas Y, Allen A, Steinhauer M, Stamler J. Dietary sodium, erythrocyte sodium

concentration, sodium-stimulated lithium efflux and blood pressure. *Clin Sci (Colch)*. 1981; 61: 29S-32S. PMID: 7318331.

19. Tuthill RW, Calabrese EJ. The Massachusetts Blood Pressure Study, Part 2. Modestly elevated levels of sodium in drinking water and blood pressure levels in high school students. *Toxicol Ind Health*. 1985 Sep; 1(1): 11-17. PMID: 3842543.

20. Whitten CF, Stewart RA The effect of dietary sodium in infancy on blood pressure and related factors. Studies of infants fed salted and unsalted diets for five months at eight months and eight years of age. *Acta Paediatr Scand*. 1980; 279 (suppl): 1-17. PMID: 7001854.

Other Federal studies regarding sodium intake that USDA is reviewing or has used in the development of federal nutrition policies, regulations or guidance over the past three years include the following:

Cogswell, ME et al. *Vital Signs: Sodium Intake Among U.S. School-Aged Children – 2009-2010*. MMWR Vol. 63. Centers for Disease Control and Prevention. September 9, 2014.

Gordon, A., M.K., Fox, M. Clark, R. Nogales, E. Condon, P. Gleason and A. Sarin. 2007. *School Nutrition Dietary Assessment Study-III*. US Department of Agriculture, Food and Nutrition Service, Alexandria, VA.

Institute of Medicine, Food and Nutrition Board. ''Dietary Reference Intakes for Water, Potassium, Sodium, Chloride and Sulfate.'' Washington, D.C: The National Academies Press. 2005.

Institute of Medicine, Food and Nutrition Board. ''WIC Food Packages: Time for a Change.'' Washington, D.C: The National Academies Press. 2005.

Institute of Medicine, Food and Nutrition Board. "Nutrition Standards for Foods in Schools: Leading the Way Toward Healthier Youth." Washington, DC: The National Academies Press. 2007.

Institute of Medicine, Food and Nutrition Board. "School Meals: Building Blocks for Healthy Children." Washington, D.C: The National Academies Press. 2009.

Institute of Medicine, Food and Nutrition Board. "Child and Adult Care Food Program: Aligning Dietary Guidance for All." Washington, D.C: The National Academies Press. 2011.

Institute of Medicine, Food and Nutrition Board. "Strategies to Reduce Sodium Intake in the United States." Washington, D.C: The National Academies Press. 2010.

Institute of Medicine, Food and Nutrition Board. "Sodium Intake in Populations: Assessment of Evidence." Washington, D.C: The National Academies Press. 2013.

May, Laurie, Kim Standing, Adam Chu, Joe Gasper, and Jarnee Riley. *Special Nutrition Program Operations Study: State and School Food Authority Policies and Practices for School Meals Programs School Year*

2011-12. Project Officer: John R. Endahl. Prepared by Westat for the U.S. Department of Agriculture, Food and Nutrition Service, March 2014

U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *School Nutrition Dietary Assessment Study IV, Vol. I: School Foodservice Operations, School Environments, and Meals Offered and Served,* by Mary Kay Fox, Elizabeth Condon, Mary Kay Crepinsek, et al. Project Officer, Fred Lesnett. Alexandria, VA: November 2012.

Westat. 2012 *Special Nutrition Program Operations Study: A Description of the NSLP and SBP Program Operations at the SFA and State Levels.* Second Draft First Year Report. October, 2012.

Summer Food Service Program State Targeted Technical Assistance Project

Mr. Aderholt: Please provide the Subcommittee with a status of the most recent efforts to provide food to low-income children during the summer months and the total spending for each initiative.

Response: When school lets out, millions of children no longer have access to their healthy free or reduced school breakfast or lunch. USDA's summer meal programs help fill the gap for children who depend on free and reduced price meals when they are in school. Improving access to summer meals continues to be an important priority for USDA.

To ensure that eligible children have access to nutritious food when school is not in session, USDA has initiated the Summer Food Service Program (SFSP) State Targeted Technical Assistance Project that began in 2013. In 2013, the States that were targeted for this project included: Arkansas, California, Colorado, Rhode Island, and Virginia. In 2014, USDA expanded this initiative to six new States: Alabama, Illinois, Mississippi, Missouri, Nevada, and Texas. Meetings were held with all targeted States and their local stakeholders to assess barriers to feeding hungry children in the summer months and to establish goals and action plans to address these challenges. The 2014 goal of this project was to serve an additional 10 million meals nationwide.

USDA also continues to work with States and national partner organizations to strengthen summer meal programs across the country. We continue to provide training, technical assistance, resources and information about the many ways community organizations can feed hungry children during the summer. USDA has also listened to stakeholder concerns about paperwork burden and program complexity. We have further streamlined administrative requirements and promoted existing program flexibilities to make it easier for communities to serve children in need.

Finally, the Summer Electronic Benefits Transfer for Children demonstration project continued for a fourth year, providing electronic benefit cards to eligible children to purchase food using the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) technology systems. The project operated in 2014 in Cherokee Nation, Michigan and Oregon. The evaluation of the 2012 full implementation year of the demonstration indicated that these projects reduced very low food security among children by one third. In 2013, USDA evaluated the impacts of a $60 monthly benefit

compared with a $30 monthly benefit on food insecurity. The results of this study will be available in fall 2014.

The initiatives to streamline and improve access to summer meals are being funded under regular Program authorities and have no additional costs to report. The SEBTC demonstration is funded through a Fiscal Year 2010 appropriation that provided $85 million to test and rigorously evaluate new models of feeding children during the summer. In 2014, we spent most of the remaining $4,725,085 of the original $85 million. We anticipate that we will have very little remaining funding after completing the 2014 demonstrations.

Commodity Assistance Program

Mr. Aderholt: Of the total amount obligated for the Commodity Supplemental Food Program (CSFP), what portion or percentage goes towards administrative costs? Please provide a table that shows a breakout by state of CSFP administrative costs for fiscal years 2009 through 2014.

Response: Section 4201 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill, P.L. 107-171) established the method for calculating administrative funds for State agencies in CSFP. State agencies are provided an administrative grant per assigned caseload slot, adjusted each year for inflation. For FY 2012, $72.24 was the legislatively-mandated administrative grant per assigned caseload slot.

The information is provided for the record.

[The information follows:]

CSFP Administrative Funding by State

State/Territory	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014**
Alaska	11,463	17,832	152,276	147,958	155,641	145,398
Arizona	922,860	902,463	884,347	908,260	916,816	685,925
Arkansas	--	84,818	200,948	209,368	213,686	217,215
California	3,571,960	4,666,707	4,866,851	5,395,800	5,505,303	4,136,286
Colorado	1,145,406	1,078,757	1,233,990	1,278,021	1,302,090	1,316,205
Delaware	--	127,294	170,700	129,387	170,938	79,501
DC	444,960	451,265	453,857	449,944	466,905	103,359
Georgia	--	2	189,067	180,885	191,164	146,830
Illinois	907,540	1,061,287	1,027,146	943,413	858,859	938,310
Indiana	283,772	290,094	304,819	310,632	274,061	264,629
Iowa	217,362	230,299	212,164	209,911	214,119	166,066
Kansas	324,086	327,800	348,164	346,417	357,372	239,744
Kentucky	235,245	299,297	611,335	1,657,408	1,674,578	425,345
Louisiana	4,296,910	4,900,911	4,783,850	4,783,096	4,874,250	3,449,096
Maine	--	131,547	200,948	206,843	210,272	120,832
Michigan	5,143,695	5,496,441	5,498,008	5,502,645	5,368,506	5,396,066
Minnesota	940,255	1,006,148	1,081,400	1,124,887	1,147,605	1,055,176
Mississippi	464,985	0	214,206	608,169	678,806	148,063
Missouri	610,283	919,649	997,813	1,066,499	1,117,798	922,543
Montana	451,414	624,741	589,445	573,535	585,397	595,088
Nebraska	798,285	825,232	771,850	809,871	774,722	537,975
Nevada	353,080	357,975	408,134	512,391	522,584	525,469
New Hampshire	434,315	419,096	498,967	449,088	447,671	435,159
New Jersey	--	143,435	200,948	207,375	212,223	210,200
New Mexico	937,364	1,352,624	1,219,515	1,148,287	1,053,683	1,193,080
New York	2,061,672	2,160,124	2,287,568	2,383,428	2,423,736	1,786,396
North Carolina	38,158	77,836	77,976	79,749	81,234	82,605
North Dakota	185,741	188,293	189,563	174,385	156,688	100,582
Ohio	1,033,491	1,252,383	1,377,686	1,433,381	1,463,022	1,487,299
Oklahoma	--	82,093	200,947	209,210	213,469	105,000
Oregon	87,264	133,659	121,367	115,100	117,462	119,419
Pennsylvania	967,031	1,911,188	2,328,996	2,423,092	2,472,233	627,312
South Carolina	245,864	294,121	249,420	327,626	324,355	188,767
South Dakota	161,674	278,754	269,485	213,633	345,451	318,151
Tennessee	352,722	897,185	908,644	890,401	942,225	692,408
Texas	1,059,687	1,488,059	2,279,392	2,308,261	2,423,904	2,464,103
Utah	--	141,426	180,521	154,679	172,314	103,519
Vermont	241,252	265,433	240,602	228,761	230,572	230,876
Washington	243,044	643,596	331,238	371,619	373,752	378,163
Wisconsin	336,130	608,974	732,576	745,724	755,233	647,157
US	**29,508,970**	**36,138,838**	**38,896,729**	**41,219,139**	**41,790,699**	**32,785,317**

** Please note that the FY 2014 amount is only updated through three quarters of the current fiscal year.

Mr. Aderholt: Please provide a table that shows a breakout by state of CSFP and TEFAP funding to include fiscal years 2009 through estimated 2015.

Response: The information is provided for the record.

[The information follows:]

CSFP Funding by State

State or Territory	2009 CSFP Admin and Food	2010 CSFP Admin and Food	2011 CSFP Admin and Food	2012 CSFP Admin and Food	2013 CSFP Admin and Food	2014* CSFP Admin and Food	2015* CSFP Admin and Food
Alabama	$0	$0	$0	$0	$0	$0	$0
Alaska	444,806	440,283	686,938	652,727	608,162	$736,284	$757,542
Arizona	3,707,059	3,655,074	3,723,298	3,657,711	3,249,446	$3,934,011	$4,047,594
Arkansas	0	454,419	937,992	899,895	882,032	$1,067,851	$1,098,682
California	15,537,635	19,534,679	22,584,753	23,447,700	22,262,676	$26,952,782	$27,730,963
Colorado	5,390,997	5,357,106	5,612,271	5,752,106	5,339,680	$6,464,597	$6,651,243
Delaware	0	223,245	674,337	689,432	732,589	$886,924	$912,532
District of Columbia	1,640,285	1,891,542	1,804,984	1,885,062	1,837,132	$2,224,163	$2,288,379
Georgia	0	473,185	864,411	843,577	782,910	$947,847	$975,213
Illinois	3,244,181	4,113,066	4,686,862	4,894,554	4,162,715	$5,039,679	$5,185,185
Indiana	1,199,917	1,322,873	1,369,640	1,164,847	989,959	$1,198,515	$1,233,118
Iowa	881,924	913,792	896,286	884,812	815,898	$987,784	$1,016,304
Kansas	1,346,332	1,392,415	1,504,993	1,509,142	1,417,799	$1,716,488	$1,766,047
Kentucky	3,463,637	5,939,672	6,241,811	7,289,385	6,779,100	$8,207,261	$8,444,222
Louisiana	17,282,452	19,938,252	20,859,666	21,274,155	19,552,897	$23,672,130	$24,355,593
Maine	0	380,916	846,533	820,923	857,717	$1,038,413	$1,068,394
Michigan	22,397,043	23,527,824	24,301,636	23,674,652	21,670,746	$26,236,149	$26,993,640
Minnesota	3,979,622	4,403,001	4,774,575	4,888,987	4,537,655	$5,493,608	$5,652,220
Mississippi	1,946,746	2,255,190	2,300,544	2,800,170	2,733,598	$3,309,488	$3,405,040
Missouri	2,618,254	3,550,191	4,441,109	4,679,011	4,545,235	$5,502,785	$5,661,662
Montana	1,777,309	2,216,312	2,406,880	2,356,613	2,229,631	$2,699,350	$2,777,286
Nebraska	3,331,860	3,450,161	3,359,689	3,294,257	2,993,465	$3,624,102	$3,728,737
Nevada	1,614,890	1,874,014	2,094,637	2,152,080	2,039,362	$2,468,997	$2,540,282
New Hampshire	1,907,574	2,040,632	2,022,051	1,897,036	1,725,263	$2,088,726	$2,149,032
New Jersey	0	391,772	849,167	886,841	824,930	$998,719	$1,027,554
New Mexico	4,046,891	4,985,505	5,153,045	4,918,840	4,791,914	$5,801,432	$5,968,932
New York	8,249,010	9,084,716	9,798,495	10,028,961	8,333,155	$10,088,711	$10,379,993
North Carolina	274,281	342,931	348,426	362,044	351,465	$425,509	$437,794
North Dakota	788,457	876,692	777,327	679,561	583,377	$706,278	$726,669
Ohio	4,370,749	5,241,901	6,034,273	6,274,118	6,065,044	$7,342,774	$7,554,775
Oklahoma	0	371,967	851,894	927,766	830,842	$1,005,877	$1,034,918
Oregon	357,027	463,288	490,514	486,377	467,156	$565,572	$581,902
Pennsylvania	4,103,817	6,851,808	10,670,987	10,658,414	10,052,700	$12,170,515	$12,521,902
South Carolina	1,014,234	1,364,658	1,531,534	1,613,547	1,381,677	$1,672,757	$1,721,053
South Dakota	866,090	1,190,192	1,401,557	1,373,662	1,394,114	$1,687,814	$1,736,544
Tennessee	2,967,518	4,118,559	4,203,256	4,079,880	4,009,783	$4,854,529	$4,994,689
Texas	4,441,227	6,171,124	9,850,010	10,091,696	9,638,169	$11,668,654	$12,005,552
Utah	0	193,409	631,703	730,095	676,871	$819,468	$843,128
Vermont	1,008,029	1,073,126	1,079,891	1,009,367	911,270	$1,103,248	$1,135,101
Washington	1,004,571	1,346,822	1,573,508	1,494,881	1,413,126	$1,710,831	$1,760,226
Wisconsin	1,486,971	2,234,897	3,214,890	3,305,855	3,060,596	$3,705,376	$3,812,357
TOTAL	**$128,691,396**	**$155,651,211**	**$177,456,373**	**$180,330,741**	**$167,531,856**	**$202,826,000**	**$208,682,000**

Note: FY 2014 and 2015 are estimates

TEFAP Funding by State

State or Territory	2009 TEFAP Admin and Food	2010 TEFAP Admin and Food	2011 TEFAP Admin and Food	2012 TEFAP Admin and Food	2013 TEFAP Admin and Food	2014* TEFAP Admin and Food	2015* TEFAP Admin and Food
Alabama	$6,709,409	$6,608,093	$4,957,594	$5,090,741	$8,505,873	$5,040,448	$5,915,771
Alaska	840,669	733,710	412,912	514,310	1,007,543	$597,054	$700,739
Arizona	8,279,733	8,371,861	6,636,384	6,707,972	12,174,709	$7,214,544	$8,467,419
Arkansas	4,604,580	3,915,343	2,859,293	2,947,460	5,758,410	$3,412,344	$4,004,931
California	52,418,696	49,502,533	37,847,015	40,639,036	70,906,973	$42,018,373	$49,315,270
Colorado	6,176,840	5,282,320	4,158,122	4,597,041	8,052,780	$4,771,953	$5,600,648
Connecticut	3,694,714	3,613,139	2,532,925	2,832,441	4,922,094	$2,916,757	$3,423,280
Delaware	920,933	1,202,969	614,052	700,214	1,666,444	$987,509	$1,158,999
District of Columbia	1,002,834	852,644	614,258	685,966	1,406,371	$833,394	$978,121
Florida	23,380,872	24,515,232	19,319,600	21,049,459	35,473,943	$21,021,309	$24,671,862
Georgia	13,712,622	13,562,673	9,915,735	10,447,547	18,223,655	$10,799,055	$12,674,416
Hawaii	1,100,645	1,165,246	861,944	924,946	1,959,310	$1,161,057	$1,362,685
Idaho	1,563,746	1,878,233	1,419,145	1,588,426	2,735,441	$1,620,980	$1,902,479
Illinois	17,867,776	15,481,182	12,199,685	11,500,203	21,203,106	$12,564,632	$14,746,602
Indiana	8,235,001	8,210,356	5,973,967	5,947,937	10,980,978	$6,507,157	$7,637,188
Iowa	3,341,511	2,910,556	2,142,819	2,215,376	3,918,054	$2,321,778	$2,724,977
Kansas	3,164,521	2,995,746	2,203,869	2,284,850	4,007,199	$2,374,604	$2,786,977
Kentucky	7,038,700	6,367,554	5,006,648	4,822,274	8,092,412	$4,795,438	$5,628,212
Louisiana	6,605,448	5,680,787	4,080,120	4,515,070	8,730,997	$5,173,853	$6,072,343
Maine	1,730,214	1,510,064	1,062,229	1,104,088	1,943,562	$1,151,725	$1,351,733
Maryland	5,276,761	5,237,797	3,619,740	3,919,997	6,577,146	$3,897,515	$4,574,356
Massachusetts	7,188,462	6,694,938	5,075,860	5,267,496	8,735,668	$5,176,621	$6,075,592
Michigan	16,415,420	15,582,797	11,416,188	10,407,643	17,591,677	$10,424,555	$12,234,880
Minnesota	5,930,044	5,571,481	3,743,019	3,918,055	6,627,693	$3,927,468	$4,609,511
Mississippi	5,454,412	4,570,881	3,616,925	3,571,833	6,278,567	$3,720,581	$4,366,696
Missouri	8,235,221	7,394,078	5,546,990	5,675,625	9,637,645	$5,711,119	$6,702,910
Montana	1,217,095	1,161,608	892,507	870,358	1,391,715	$824,709	$967,927
Nebraska	1,859,798	1,581,947	1,198,857	1,227,556	2,185,941	$1,295,355	$1,520,306
Nevada	3,340,683	3,441,004	2,686,459	3,062,531	5,783,912	$3,427,457	$4,022,668
New Hampshire	1,074,917	1,204,313	849,827	753,282	1,491,922	$884,090	$1,037,621
New Jersey	9,138,017	8,622,837	6,732,214	7,025,175	15,286,289	$9,058,418	$10,631,500
New Mexico	2,872,579	2,534,601	1,638,813	2,234,326	4,513,779	$2,674,795	$3,139,300
New York	25,743,412	23,651,840	17,029,881	17,542,876	34,828,225	$20,638,666	$24,222,770
North Carolina	13,116,036	13,385,322	9,587,217	9,932,721	17,955,835	$10,640,349	$12,488,149
North Dakota	713,167	616,710	407,513	435,831	691,706	$409,894	$481,076
Ohio	16,738,005	16,010,581	11,585,908	11,197,517	19,039,156	$11,282,309	$13,241,591
Oklahoma	4,834,188	4,715,409	3,083,830	3,225,627	5,783,937	$3,427,471	$4,022,685
Oregon	5,235,241	5,538,272	3,754,756	4,035,992	6,909,375	$4,094,389	$4,805,419
Pennsylvania	15,396,601	14,094,169	10,224,041	10,624,947	19,197,089	$11,375,897	$13,351,432
Rhode Island	1,488,129	1,500,930	997,463	1,102,183	1,806,359	$1,070,420	$1,256,309
South Carolina	6,876,590	6,534,653	4,857,551	5,001,668	8,966,480	$5,313,397	$6,236,120
South Dakota	886,447	770,742	592,202	617,016	938,861	$556,354	$652,971
Tennessee	9,700,724	8,688,807	6,537,798	6,723,895	11,049,548	$6,547,791	$7,684,878
Texas	34,577,445	30,647,895	23,535,713	25,332,193	42,537,003	$25,206,768	$29,584,168
Utah	2,459,119	2,215,368	2,012,346	2,245,626	3,974,459	$2,355,203	$2,764,207
Vermont	684,508	691,837	446,587	507,446	734,881	$435,479	$511,104
Virginia	7,787,853	7,397,560	5,409,792	5,556,560	9,715,884	$5,757,482	$6,757,325
Washington	8,139,761	7,515,215	5,844,607	6,287,003	10,905,812	$6,462,615	$7,584,911
West Virginia	2,717,516	2,820,497	1,846,799	1,861,589	4,229,244	$2,506,184	$2,941,408
Wisconsin	6,832,419	5,924,854	4,614,618	4,667,509	8,344,597	$4,944,879	$5,803,605
Wyoming	481,908	453,434	385,293	402,842	657,815	$389,811	$457,505
Guam	131,775	99,786	96,574	219,601	484,712	$287,233	$337,114
Northern Mariana Island	52,876	14,650	38,163	135,707	132,904	$78,757	$92,434
Puerto Rico	13,990,130	10,114,955	8,842,897	8,763,455	9,945,870	$5,893,768	$6,917,278
Virgin Islands	141,860	177,119	86,742	179,731	285,588	$169,235	$198,624
TOTAL	**$419,118,583**	**$391,539,148**	**$293,654,006**	**$305,648,769**	**$536,887,148**	**$318,151,000**	**$373,401,000**

Note: FY 2014 and 2015 are estimates

Mr. Aderholt: For both CSFP and TEFAP, provide a table showing the amount of commodities purchased with appropriated funds, the amount of commodities donated to the program and a total to include fiscal years 2009 through 2013 and estimates for fiscal year 2014.

Response: The information is provided for the record.

[The information follows:]

CSFP Entitlement and Bonus Commodities

Fiscal Year	Entitlement	Bonus	Total
2009	$134,044,024	$8,946,533	$142,990,557
2010	143,053,375	17,943,595	267,091,008
2011	155,139,142	10,372,807	165,511,949
2012	146,534,179	22,555,238	169,089,417
2013	143,196,000	24,089,514	167,285,514
2014 Estimate	158,417,000	14,575,000	172,992,000

TEFAP Entitlement and Bonus Commodities

Fiscal Year	Entitlement	Bonus	Total
2009	$336,217,796	$373,748,172	$709,965,968
2010	249,147,413	346,639,261	595,786,674
2011	228,402,815	235,263,356	463,666,171
2012	242,970,260	304,220,582	547,190,842
2013	247,165,695	228,513,223	475,678,918
2014 Estimate*	268,750,000	TBD	268,750,000

*Note: For TEFAP Bonus there are no full fiscal year projections due to varying markets.

Mr. Aderholt: Please explain how many people, not caseload, USDA will serve in the CSFP for Fiscal Years 2013 and 2014 and estimated fiscal year 2015.

Response: The information is provided for the record.

[The information follows:]

CSFP	2013	2014	2015 Est.
Participation	579,759	572,634*	588,000

*Average through June 2014

Mr. Aderholt: Provide a table for the record, by state, which includes grants for the Senior Farmers Market Nutrition Program and a separate column for grants for the WIC Farmers Market Nutrition Program for fiscal years 2009 through 2014.

Response: The information is provided for the record.

[The information follows:]

FY 2009-2014 Senior Farmers' Market Nutrition Program Grant Amounts

STATE	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014**
Alabama	$1,732,673	$1,719,180	$1,701,183	$1,701,183	$1,619,487	$1,574,001
Alaska	95,265	94,523	93,534	93,534	89,043	86,542
Arizona	161,111	159,857	158,183	158,183	150,587	146,358
Arkansas	123,826	122,862	121,576	121,576	115,737	112,486
California	837,988	831,462	822,758	822,758	783,248	761,250
Chickasaw Nation of Oklahoma	177,985	176,599	174,750	174,750	166,358	161,686
Colorado	*	*	*	14,430	14,430	*
Connecticut	90,736	90,030	89,087	89,087	84,809	82,427
District of Columbia	160,312	159,063	157,398	157,398	149,839	145,631
Five Sandoval Indian Pueblos, Inc.	19,240	19,240	19,240	19,240	19,240	19,240
Florida	108,550	107,705	106,577	106,577	101,458	98,608
Georgia	258,690	256,675	253,988	253,987	241,790	234,999
Grand Traverse Band of Ottawa & Chippewa Indians	9,925	9,925	9,925	9,925	9,925	9,925
Hawaii	553,412	549,103	543,354	543,354	517,260	502,732
Illinois	882,336	875,465	866,300	866,300	824,698	801,535
Indiana	61,676	61,676	61,676	61,676	61,676	61,676
Iowa	593,009	588,391	582,231	582,231	554,270	538,703
Kansas	*	187,111	185,153	185,153	176,261	171,311
Kentucky	327,368	324,818	321,418	321,418	305,982	297,388
Louisiana	418,972	415,709	411,357	411,357	391,603	380,604
Maine	1,027,956	1,019,951	1,009,274	1,009,274	960,806	933,820
Maryland	232,430	230,620	228,206	228,206	217,247	211,145
Massachusetts	575,240	570,760	564,785	564,785	537,663	522,562
Michigan	250,103	248,155	245,558	245,558	233,766	227,200
Minnesota	122,657	121,702	120,428	120,428	114,645	111,425
Mississippi	102,388	101,591	100,527	100,527	95,699	93,012
Mississippi Choctaw	29,440	29,440	29,440	29,440	29,440	29,440
Montana	101,920	101,127	100,068	100,068	95,262	92,586
Nebraska	255,353	253,365	250,713	250,713	238,673	231,970
Nevada	169,830	168,508	166,744	166,744	158,736	154,278
New Hampshire	101,431	100,641	99,587	99,587	94,804	92,142
New Jersey	1,211,989	1,202,551	1,189,963	1,189,963	1,132,817	1,101,001
New Mexico	337,004	334,379	330,879	330,879	314,989	306,142
New York	1,972,827	1,957,463	1,936,972	1,936,972	1,843,954	1,792,164
North Carolina	89,075	88,382	87,457	87,457	83,257	80,919
Ohio	1,779,625	1,765,767	1,747,283	1,747,283	1,663,374	1,616,656
Oklahoma	75,000	75,000	75,000	75,000	75,000	75,000
Oregon	938,404	931,097	921,350	921,350	877,104	852,470

FY 2009-2014 Senior Farmers' Market Nutrition Program Grant Amounts

Osage Nation	38,140	38,140	38,140	38,140	38,140	38,140
Pennsylvania	1,973,789	1,958,418	1,937,916	1,937,916	1,844,852	1,793,037
Pueblo of San Felipe	17,474	17,474	17,474	17,474	17,474	17,474
Puerto Rico	1,034,762	1,026,704	1,015,956	1,015,956	967,167	940,003
Rhode Island	286,360	284,130	281,155	281,155	267,653	260,136
Standing Rock	22,200	22,200	22,200	22,200	22,200	22,200
South Carolina	660,941	655,794	648,929	648,929	617,765	600,414
Tennessee	564,863	560,465	554,597	554,597	527,964	513,136
Texas	124,287	123,319	122,028	122,028	116,168	112,905
Vermont	94,659	93,922	92,939	92,939	88,476	85,991
Virginia	490,825	487,003	481,905	481,905	458,763	445,878
Washington	249,974	248,028	245,431	245,431	233,645	227,083
West Virginia	544,630	540,388	534,731	534,731	509,052	494,755
Wisconsin	355,900	353,128	349,432	349,432	332,651	323,308
NATIONAL TOTALS	**$22,444,551**	**$22,459,007**	**$22,226,755**	**$22,241,184**	**$21,186,907**	**$20,585,494**

*Did not participate in the program **Final Grants for FY 2014

FY 2009-2014 WIC Farmers' Market Nutrition Program Grant Amounts

STATE AGENCY	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014****
ALABAMA	$392,164	$137,252	$137,252	$120,619	$109,845	$113,343
ALASKA	224,485	224,485	224,485	197,280	179,658	185,379
ARIZONA	234,783	234,783	234,783	206,331	187,900	193,885
ARKANSAS	189,632	189,632	189,632	166,652	151,766	156,599
CALIFORNIA	2,397,794	2,499,368	2,499,368	2,196,479	2,000,276	2,063,983
CHOCTAW NATION, OK	*	90,361	90,361	79,410	75,000	75,000
CHICKASAW NATION, OK	75,000	75,000	75,000	75,000	75,000	75,000
CONNECTICUT	317,251	330,690	360,991	317,244	288,905	298,107
DELAWARE***	*	*	*	*	*	262,093
DISTRICT OF COLUMBIA	301,302	314,066	342,844	301,296	274,382	283,121
FIVE SANDOVAL IND PUEBLO	6,337	6,337	6,337	6,337	6,337	6,337
FLORIDA	283,709	283,709	309,705	272,173	247,861	255,755
GEORGIA	1,013,366	1,056,293	1,153,081	1,013,344	922,826	952,217
GUAM	95,556	95,556	95,556	83,977	76,476	78,911
ILLINOIS	387,006	403,400	440,363	386,997	352,428	363,653
INDIANA	254,192	264,960	289,238	254,186	231,480	238,853
IOWA	496,388	517,416	564,827	496,377	452,038	466,435
KENTUCKY	224,462	224,462	224,462	197,260	179,640	185,361

FY 2009-2014 WIC Farmers' Market Nutrition Program Grant Amounts

LOUISIANA	6,667	6,667	9,167	9,167	9,167	9,167
MAINE	75,000	75,000	75,000	75,000	75,000	75,000
MARYLAND	341,338	355,798	388,400	341,331	301,841	320,742
MASSACHUSETTS	470,001	489,911	489,911	430,540	392,081	404,569
MICHIGAN	398,995	415,897	449,436	394,971	359,689	371,145
MINNESOTA	307,024	320,030	349,354	307,017	279,592	288,497
MISSISSIPPI	75,000	78,177	114,177	100,340	91,377	94,287
MS. CHOCTAWS	14,500	15,114	19,494	19,494	19,494	19,494
MISSOURI	235,070					
MONTANA	57,353	59,782	59,782	59,782	59,782	59,782
NORTH CAROLINA	282,877	282,877	282,877	248,596	226,390	233,600
NEBRASKA	*	*	75,000	75,000	75,000	75,000
NEW HAMPSHIRE	107,623	107,623	*	*	*	*
NEW JERSEY	1,227,898	1,279,913	1,279,913	1,124,804	1,024,330	1,056,954
NEW MEXICO	304,101	304,101	304,101	267,248	243,376	251,127
NEW YORK	3,446,188	3,593,015	3,922,243	3,446,920	3,139,019	3,238,995
OHIO	520,358	542,401	542,401	476,669	434,090	447,916
OREGON	365,721	381,213	416,143	365,712	333,044	343,651
OSAGE NATION	31,325	31,325	31,325	31,325	31,325	31,325
PENNSYLVANIA	1,789,814	1,865,634	2,036,582	1,789,776	1,629,902	1,681,813
PUEBLO OF SAN FELIPE	8,666	8,666	8,666	8,666	8,666	8,666
PUERTO RICO	1,806,240	1,882,755	1,882,755	1,654,591	1,506,793	1,554,783
RHODE ISLAND	152,322	152,322	152,322	133,862	121,905	125,787
SOUTH CAROLINA	128,669	128,669	153,669	135,046	122,983	126,899
TENNESSEE	75,000	78,177	96,000	84,366	76,830	79,276
TEXAS	1,277,117	1,277,117	1,277,117	1,122,348	1,022,093	1,054,646
VERMONT	75,000	78,177	82,000	75,000	75,000	75,000
VIRGINIA**	*	*	*	*	*	60,241
VIRGIN ISLANDS	*	*	98,470	86,537	78,807	81,316
WASHINGTON	588,247	613,166	669,350	588,234	535,689	552,751
WEST VIRGINIA	70,000	72,965	74,965	74,965	74,965	74,965
WISCONSIN	618,673	644,881	703,971	618,659	563,397	581,340
NATIONAL TOTALS	$21,750,214	$22,089,143	$23,282,876	$20,516,928	$18,723,445	$19,632,766

*Did not participate in the program**Returning State Agency***New State Agency ****Final Grant Amounts

Nutrition Studies and Information

Mr. Aderholt: Please provide a status update on the reports required per the Fiscal Year 2014 omnibus bill. Include the status of reports as directed by the House, Senate and Conference report.

Response: Response: The information is provided for the record.

[The Information follows:]

	Congressional Directives - FY 2014	Status
1	**Summer Food Service Pilot Program.**—Distressed counties in certain parts of the country face high levels of food insecurity. The Committee supports the efforts that authorize the Secretary to conduct demonstrations to test new models of preventing food insecurity and hunger among children during the summer months. The Committee directs the Secretary to provide a report on the estimated implementation costs and benefits of the models that have been tested and provide recommendations for cost effective ways to promote food security in counties as defined in 40 U.S.C. 14102. **(House Report 113-116)**	**Completed.** The report was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on April 14, 2014.
2	**Commonwealth of the Northern Mariana Islands.**—The Committee is aware of the interest in transitioning the Commonwealth of the Northern Mariana Islands into SNAP. The Committee directs the Secretary to provide a report on the feasibility of establishing SNAP in the Northern Mariana Islands, including the capabilities of the Commonwealth to fulfill the responsibilities of a State agency by ensuring participation of only eligible households, maintaining program integrity, paying a share of administrative costs with non-federal funds, and other such requirements as deemed necessary by the Secretary to operate SNAP. **(House Report 113-116)**	**Completed.** The report was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on June 19, 2014.
3	**Employment and Training.**—The Committee directs the Secretary to provide a report on how the SNAP Employment and Training (E&T) program is currently being used to help SNAP participants gain skills and training to find productive employment that will allow them to transition from SNAP to self-sufficiency, including measurable results of the program. The Committee also encourages the Secretary to provide a five-year plan for how the E&T program, as well as any other resources and programs, will be used to help participants find employment. **(House Report 113-116)**	**Completed.** The report was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on September 9, 2014.
4	**Identity Theft Incidents.**—As part of USDA's effort to reduce fraud, ensure the integrity of its nutrition programs, and safeguard the identities of participants in nutrition assistance programs, the Committee directs the Secretary to provide a report detailing the prevalence of identity theft incidents perpetrated against USDA nutrition program beneficiaries; steps USDA is taking to protect program beneficiaries' personally identifiable information against unauthorized	USDA will combine the House report and Senate report into one response. The report is in clearance.

	disclosure; and what, if any, actions are being taken to educate participants on the threat of identity theft. **(House Report 113-116)** **Identity Theft.**—The Committee is concerned that beneficiaries of the numerous nutrition programs funded by this bill may be exposed to identity theft. The Committee directs the Secretary to provide a report detailing capabilities currently deployed to detect and prevent identity based fraud; the prevalence of identity theft incidents perpetrated against USDA nutrition program beneficiaries; steps the Department is undertaking to protect against unauthorized disclosure; and what if any actions are being taken to educate beneficiaries on the threat of identity theft. **(Senate Report 113-46)**	
5	**Income Determinations.**—The Committee is concerned about a perceived disparity in the eligibility of military families for the National School Lunch Program and the School Breakfast Program based on whether they live in military housing or receive Basic Allowance for Housing. The Secretary is directed to submit a report to the Committee on the process for calculating incomes for these programs. **(Senate Report 113-46)**	The report is in clearance.
6	**Income Eligibility Standards.**—The Committee remains concerned that USDA's regulations regarding income eligibility determinations and corresponding allowable practices, including the definitions of income and household, use of programs acceptable for adjunctive or automatic eligibility, and income verification procedures, have created wide disparity among the States, Territories, and Tribal Organizations. Concerns such as these were identified in the February 2013 GAO report, ''WIC Program: Improved Oversight of Income Eligibility Determination Needed.'' In partial response to the report, USDA issued income eligibility guidance to all state agencies on April 26, 2013. The Committee directs USDA to provide a report detailing the training, technical assistance, and compliance monitoring activities that USDA will undertake in connection with the release of these guidelines. **(House Report 113-116)**	The report is in clearance.
7	**Child Nutrition Programs.**—There continues to be concern about high error and improper payment rates in the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). For fiscal year 2013, NSLP had an error rate of 15.69 percent totaling $1,800,000,000 in improper payments, and SBP had an error rate of 25.26 percent totaling $831,000,000 in improper payments. The agreement provides the requested funding to support USDA's efforts to reduce erroneous payments. USDA is directed to work with States and local educational agencies and submit a plan to the Committees detailing the steps it will take to reduce high error and improper payment rates. **(Explanatory**	The report is in clearance.

	Statement)	
8	**Cost Management within WIC State Agencies.**—The Committee supports USDA's efforts to rein in the cost of WIC food items while ensuring the nutritional value and food choices for participants. As State agencies consider options for cost containment, the Committee directs FNS to closely monitor this process to ensure there are no unintended consequences for participants, vendors, or product manufacturers. The Committee is aware that USDA is conducting management evaluations of all state agencies since more States have had problems with vendor management and food cost containment. As demonstrated in USDA's oversight of States with violations, USDA has the ability to require State agencies to reduce the maximum dollar amount the State agency reimburses for WIC food items. The Committee directs the Department to provide quarterly updates to the Committee on the management evaluation process, including concerns that have arisen and steps USDA has taken to correct any violations. In addition, the Committee is aware that USDA issued moratoriums that prohibit the authorization of new WIC vendors in some States. While the Department should be applauded for efforts to control costs and address fraud, waste and abuse, both WIC participants and the vendors who serve participants may be negatively impacted by an indefinite moratorium. The Committee directs USDA to submit a report within 60 days of enactment on the actions States need to take to address Agency concerns, along with a timeline, for lifting these moratoriums. **(House Report 113-116)**	The quarterly report is under development and will cover reviews conducted through June 2014. The report due within 60 days of enactment concerning actions States need to take is currently under development.
9	**Women, Infants, and Children Amendment.**—The agreement expects the Secretary to amend 7 CFR 246.10 in order for State agencies to include all varieties of fresh, whole, or cut vegetables, except for vegetables with added sugars, fats, oils; provided that inclusion of such vegetables contribute towards meeting the special nutritional needs of program participants and increases the availability of low-cost, high-nutrient alternatives for participants throughout the year. Within 15 days of any decisions not to comply, the Secretary shall submit a report to the Committees explaining such decision. **(Explanatory Statement)**	Report is not required at this time and is only on an as necessary basis.

Nutrition Assistance and Nutrition Education

Mr. Aderholt: Please provide a list of all Federal Programs, including those in the Department of Health and Human Services, that provide nutrition assistance and nutrition education to the public as well as the Agency providing those services and their respective budgetary resources for FY 2012 and 2013 and estimated for FY 2014 and FY 2015.

Response: A 2010 General Accounting Office Report ("DOMESTIC FOOD ASSISTANCE: Complex System Benefits Millions, but Additional Efforts Could Address Potential Inefficiency and Overlap among Smaller Programs," GAO-10-346, Table 2, pp. 8-11) identified the following 18 programs that focus primarily on providing food and nutrition assistance to low-income individuals and households. Most of the FNS programs also provide nutrition education to their clients:

USDA - Food and Nutrition Service

1. Child and Adult Care Food Program
2. Commodity Supplemental Food Program
3. Community Food Projects Competitive Grants Program (funded through FNS appropriation)
4. Food Distribution Program on Indian Reservations
5. Fresh Fruit and Vegetable Program
6. National School Lunch Program
7. Nutrition Assistance for Puerto Rico
8. School Breakfast Program
9. Senior Farmers' Market Nutrition Program
10. Special Milk Program
11. Summer Food Service Program
12. SNAP
13. The Emergency Food Assistance Program
14. WIC
15. WIC Farmers' Market Nutrition Program

DHS - Federal Emergency Management Agency

Emergency Food and Shelter National Board Program

HHS - Administration on Aging

1. Elderly Nutrition Program: Home-Delivered and Congregate Nutrition Services
2. Grants to American Indian, Alaska Native, and Native Hawaiian Organizations for Nutrition and Supportive Services

In addition, USDA's Center for Nutrition and Policy (CNPP) Promotion provides nutrition education and promotion resources for the general public, including the implementation of the 2010 Dietary Guidelines and MyPlate. CNPP does not provide nutrition assistance benefits.

Budget resources for the USDA - Food and Nutrition Service programs, as well as the Center for Nutrition Policy and Promotion, for FYs 2012, 2013, 2014 and estimated for FY 2015 are listed in the table that follows:

[The information for the record follows:]

Food and Nutrition Service

Food and Nutrition Service Available Funds

2012 and 2013 Actual and Estimated 2014 and 2015

(Dollars in Thousands)

Item	2012 Actual	2013 Actual	2014 Estimate	2015 Estimate
	Amount	Amount	Amount	Amount
Supplemental Nutrition Assist Program (SNAP)	$72,735,235	$76,414,587	$73,127,825	$79,181,386
SNAP ARRA	8,342,291	6,060,739	5,795,694	0
Child Nutrition Program:				
Appropriation	11,613,707	11,977,986	12,163,230	12,542,997
Permanent Appropriation	205,708	220,238	340,895	179,250
Transfer from Section 32	6,749,898	7,697,031	8,011,569	8,299,923
Total - CN Program	18,569,313	19,895,255	20,515,694	21,022,170
Special Supplemental Nutritio Program for Women, Infants, and Children (WIC)	7,167,986	6,946,401	7,019,825	7,154,024
Commodity Assistance Program	282,947	281,104	293,321	296,301
Nutrition Programs Administra	130,929	125,670	134,810	148,462
CNPP	4,004	4,346	4,538	4,538
Total - NPA	134,933	130,016	139,348	153,000
Total, Food and Nutrition Service Funds	107,232,705	109,728,102	106,891,707	107,806,881
Obligations under other USDA Appropriations:				
Office of the CIO	281	19	0	0
Departmental Management	30	376	0	0
Foreign Agricultural Service	58	10	0	0
Food Safety and Inspection Se	10	10	0	0
Economic Research Service	10	10	0	0
Office of the Inspector Gener	13	13	0	0
National Appeals Division	52	32	0	0
Natural Resources and Conservation Service	183	0	0	0
Farm Service Agency	10	0	0	0
Rural Development	36	36	0	0
Total, Agriculture Approp	683	506	0	0
Other Federal Funds:				
Army Audit	7	0	0	0
Health and Human Services	0	166		
Small Business Administration	0	4		
Labor	51	0	0	0
Federal Executive Board	222	266	0	0
Total, Other Federal Funds	280	436	0	0
Total, Food and Nutrition Se	107,233,668	109,729,044	106,891,707	107,806,881

Mr. Aderholt: Update the Subcommittee on any new efforts in the past 24 months to coordinate activities, reduce duplication and improve efficiencies across the 18 or more nutrition assistance programs operated by the Federal Government.

Response: In order to maximize efficiencies within USDA's current authority, FNS promotes policy and operational changes that streamline the application and certification process; enforces rules that prevent simultaneous participation in some programs with similar benefits or target audiences; and reviews and monitors program operations to minimize waste and error. For example, FNS has worked with Congress to enact changes in the National School Lunch Program such as requiring direct certification of students for free meals using Supplemental Nutrition Assistance Program (SNAP) data; and simplifying the certification process by requiring a single application for all children in a household. While some of FNS's programs have similar purposes or benefits - such as SNAP and the Food Distribution Program on Indian Reservations (FDPIR) - simultaneous participation in such circumstances is prohibited.

USDA's new Blueprint for Stronger Service is an ongoing effort to modernize and accelerate service delivery while improving the customer experience through use of innovative technologies and business solutions. Over the last few years, FNS has worked hard to do more with less. To manage current and future budget challenges, and to ensure that critical investments in both urban and rural America continue, FNS has taken a variety of steps to cut costs and improve services, including:

- Cutting travel, printing and supplies budgets;
- The requirement for direct certification for free school meals in conjunction with SNAP (described above) eliminated the need for paper applications for millions of low-income children. The estimated reduction in burden hours for program participants is roughly 113,000 hours per year;
- FNS initiated aggressive new tactics to protect valuable taxpayer investments in SNAP by investigating illegal activity. In 2013, the program investigated nearly 710,000 cases of recipient fraud, resulting in over 43,500 persons being disqualified from SNAP. Additional investigative work resulted in 1,215 retailers being permanently disqualified from SNAP in FY 2013;
- The SNAP program yet again reached a record level of payment accuracy in 2013, at 96.8 percent. Payment errors are less than half what they were since enactment of the Improper Payments Information Act of 2002;
- FNS supports state efforts to improve the efficiency and effectiveness of SNAP operations through a range of strategies, including a one stop "Modernization Central" intranet page that provides information on policy options, waivers, technology strategies and administrative process improvements; and
- In an effort to become a more efficient organization, FNS has closed 31 field offices in 28 states, as technologies such as telework are embraced.

Mr. Aderholt: How much is being spent in the SNAP, CNP, and WIC for studies and evaluations in fiscal year 2013 and 2014? How much will be assumed in the fiscal year 2015 budget request?

Response: The information is provided for the record.

[The information follows:]

FNS Research Funding from 2013 through 2015
(dollars in thousands)

	FY 2013	FY 2014	FY 2015
HHFKA			
Childhood Hunger Research (x-year) (CN)	10,000		
Hunger Demo Projects (5 year funds) (CN)	40,000		
Farm Bill (2014)			
Puerto Rico study (x-year) (SNAP)		1,000	
CNMI Study (SNAP)		1,000	1,000
Regular Appropriations			
SNAP	13,684	13,945	14,174
WIC	5,000	8,000	5,000
Child Nutrition	19,323	19,697	20,079
Total Research Funding	88,007	43,642	40,253

Mr. Aderholt: Please provide the organization chart for the Office of Policy Support as well as a listing of positions for the Office of Research and Analysis and the Office of Strategic Initiatives, Partnerships and Outreach. Additionally, please provide the total number of employees and the total operating budget for each office for fiscal years 2011 through 2013 and an estimate for 2014.

Response: The material is provided for the record. Please note that the Office of Policy Support, which included the Associate Administrator for Policy Support, the Deputy Associate Administrator for Policy Support, and an Administrative Officer, was not managed as a separate organization; its budget and administrative functions were integrated as part of the Office of Research and Analysis. In addition, the Associate Administrator and Deputy Associate Administrator acted as Director and Assistant Director, respectively, of the Office of Research and Analysis.

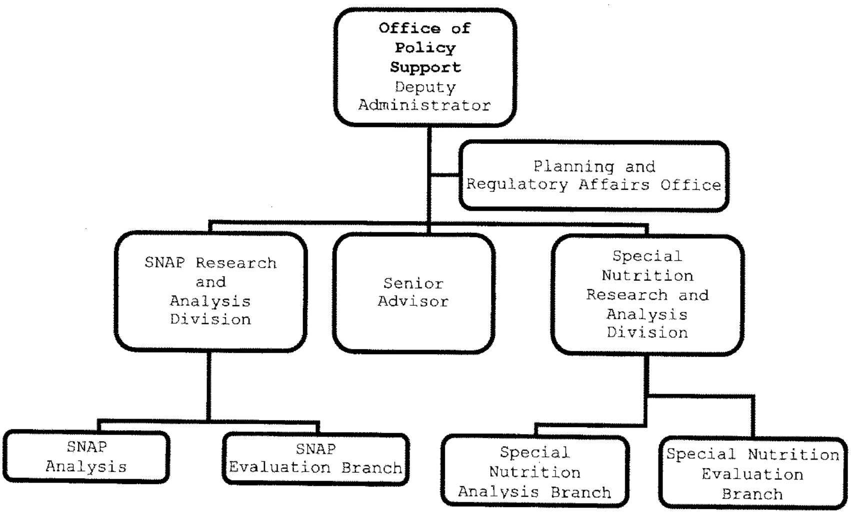
In FY 2013, the Office of Policy Support was reorganized to move the Office of Strategic Initiatives, Partnerships and Outreach (now the Stakeholder Relations Branch) to the Office of the Chief Communications Officer. In addition, the Office of Research and Analysis, was eliminated and consolidated as the Office of Policy Support.

[The information follows:]

Organization	FY 2011		FY 2012		FY 2013		FY 2014 (Estimated)	
	Salary and Benefits	All Other Expenses	Salary and Benefits	All Other Expenses	Salary and Benefits	All Other Expenses	Salary and Benefits	All Other Expenses
Office of Research and Analysis (includes Office of Policy Support costs)	$5.1 million	$66.1 million*	$4.9 million	$51.1 million*	$5.7 million	$48.9 million*	$4.9 million	$99.5 million*
Office of Strategic Initiatives, Partnerships and Outreach (OSIPO)	$1.8 million	$8.3 million	$1.5 million	$3.7 million	$0.9 million	$2.1 million		
Stakeholder Relations Branch (formerly OSIPO)					$0.6 million	$1.6 million	$1.0 million	$4.8 million

*ORA expense figures include the Agency's research and evaluation funding.

	FY 2011	FY 2012	FY 2013	FY 2014
OSIPO Staff	16	13	11	9
OPS Staff	38	38	42	42
	54	51	53	51



Position Title	Pay Plan	Series	Grade Level
OFFICE OF POLICY SUPPORT			
PROGRAM MANAGER (DEPUTY ADMINISTRATOR)	ES	340	0
PROGRAM MANAGER (ASSOCIATE DEPUTY ADMI)	GS	340	15
ADMINISTRATIVE OFFICER	GS	341	14
SPEC ASST	GS	301	14
SECRETARY (OA)	GS	318	9
CLK	GS	303	4
SR POLICY ADVISOR	GS	301	15
SUPV SOCIAL SCIENCE POLICY ANALYST	GS	101	15
SUPERVISORY PROGRAM ANALYST	GS	343	14
MANAGEMENT ANALYST	GS	343	12
MANAGEMENT ANALYST	GS	343	12
REGULATORY REVIEW SPECIALIST	GS	301	12
REGULATORY REVIEW SPECIALIST	GS	301	12
SUPERVISORY PROGRAM ANALYST	GS	343	15
MANAGEMENT & PROGRAM ANALYST	GS	343	14
SECRETARY (OA)	GS	318	7
SUPRVSY SOCIAL SCIENCE POLICY ANALYST	GS	101	14
PROGRAM ANALYST	GS	343	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
PROGRAM ANALYST	GS	343	12
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
SUPV SOCIAL SCIENCE RESEARCH ANALYST	GS	101	15
PROGRAM ANALYST	GS	343	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SUPERVISORY PROGRAM ANALYST	GS	343	15
MANAGEMENT & PROGRAM ANALYST	GS	343	14
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	13
SOCIAL SCIENCE POLICY ANALYST	GS	101	11
SUPERVISORY SOCIAL SCIENCE RESEARCH AN	GS	101	14
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	13
SOCIAL SCIENCE RESEARCH ANALYST	GS	101	12

Position Title	Pay Plan	Series	Grade Level
Stakeholder Relations Branch			
External Affairs Officer	GS	0340	14
Outreach Coordinator	GS	0301	13
Student	GS	0399	04
Program Analyst	GS	0343	13
Program Analyst	GS	0343	09

Partnership Coordinator	GS	0301	07
Program Analyst	GS	0343	13
Program Analyst	GS	0343	13
Program Analyst	GS	0343	11

Mr. Aderholt: Provide a list of all ongoing studies and evaluations that are being conducted in all areas of FNCS including the Center for Nutrition Policy and Promotion. Include a brief description of the study, the total projected cost, the amount spent to date, when it started, when it will be completed, whether it is being done in-house or contracted out, who the contractor is, and whether it was mandated by law or not. Also include studies that were completed in fiscal year 2014.

Response: An updated list of all ongoing studies and evaluations conducted by FNS and the Center for Nutrition Policy and Promotion is included for the record. Unless an item specifically says that it is being done in-house, the research is supported by contracts, grants, and cooperative agreements with public and private organizations.

The information is provided for the record.

[The information follows:]

Food and Nutrition Service Studies and Evaluations

Ongoing Studies

Supplemental Nutrition Assistance Program

Characteristics and Circumstances of Zero-Income SNAP Households

While zero-income households make up nearly 20 percent of the SNAP caseload, there is limited information about their characteristics, their circumstances and the extent these change from month-to-month, and their patterns of benefit redemption. This study seeks to better understand these factors by examining multiple years of national survey data to look at participation patterns of zero-income households at different points in time and by interviewing about 50 zero-income households.

Total Projected Cost: $435,612
Amount Spent to Date: $435,612
Start Date: May 2011
Completion Date: May 2014
Name of Contractor: Insight Policy Research
Congressional Mandate: No

Understanding the Causes and Costs of SNAP Churning

This study explores the circumstances of churning in SNAP—defined as exiting SNAP and re-entering the program within four months—by determining the rates and patterns of churn, examining the causes of caseload churn, and calculating costs of churn to both participants and administering agencies. The study covers six participating study States—Florida, Idaho, Illinois, Maryland, Texas, and Virginia.

Total Projected Cost: $802,202

Amount Spent to Date:	$723,584
Start Date:	August 2011
Completion Date:	September 2014
Name of Contractor:	The Urban Institute
Congressional Mandate:	No

Measuring Food Stamp and Other Nutrition Assistance Program Access, Trends, and Impacts

This contract provided support for estimating effects of potential program changes and for short-turnaround analyses of current issues from February, 2011 through January 2015. In addition, it included analysis of participation rates for 2010 (completed), 2011 (completed), 2012 (completed) and 2013 (ongoing) and household characteristics for 2010 (completed), 2011 (completed), 2012 (completed), and 2013 (ongoing); updating participation rates for eligible elderly individuals in each State (ongoing), and for regular updates of the two microsimulation models (ongoing). Impact analyses under the contract supported many FNS legislative and budgetary proposals every year. Other organizations, such as the Congressional Budget Office, community organizations, and private research firms, rely on the regular publication of these studies.

Total Projected Cost:	$6,273,368
Amount Spent to Date:	$5,002,376
Start Date:	February 2011
Completion Date:	July 2015
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	No

Feasibility Study of Capturing SNAP Purchases at the Point of Sale

This project assesses the feasibility of creating a data collection system that would automatically deliver item-level purchase data on food purchases made by SNAP households with their electronic benefit transfer (EBT) cards. The primary objectives of this study are (1) to conduct basic requirements gathering to determine the technical parameters for such a system; (2) to provide FNS with a feasibility study that examines technical alternatives, including relevant cost and policy issues; and (3) to perform and report on limited proof-of-concept tests of up to three solutions selected by FNS.

Total Projected Cost:	$1,511,717
Amount Spent to Date:	$1,008,597
Start Date:	September 2012
Completion Date:	October 2015
Name of Contractor:	IMPAQ International
Congressional Mandate:	No

Diet Quality of Americans by Nutrition Program Participation Status: 2005-2010

This project examines the relationship between nutrition assistance program participation and nutrient intake, diet quality, weight status, and food choices, using data from the National Health and Nutrition Examination Survey (NHANES).

Total Projected Cost:	$466,202
Amount Spent to Date:	$213,183
Start Date:	September 2012
Completion Date:	December 2014
Name of Contractor:	WRMA
Congressional Mandate:	No

Foods Typically Purchased with SNAP Benefits

All available evidence indicates that the diets and food choices of most Americans are less than ideal, and that the diets and food choices of low-income individuals are most striking in their similarity rather than their differences with higher income individuals. Some have raised concerns that SNAP benefits are spent on unhealthy foods, but available data do not directly answer the question of what SNAP recipients buy with their benefits. This study uses alternative food purchase data from large store chains to estimate the proportion of SNAP benefits spent on different foods. Information obtained from this study can inform policy, nutrition education and environmental initiatives to enhance the food choices of SNAP participants.

Total Projected Cost:	$739,802
Amount Spent to Date:	$769,628
Start Date:	September 2011
Release Date:	Spring 2015
Name of Contractor:	IMPAQ International
Congréssional Mandate:	No

Nutrition Assistance Client Shopping Patterns at Farmers' Markets

This study will focus on SNAP participants' use of farmers' markets to redeem benefits, to better understand who does and does not use farmers' markets and why, what foods they purchase there, and how such markets fit into their overall food shopping. There are at least two components of the project: an analysis of EBT transaction data and a survey of SNAP participants (including some who do and some who do not shop at farmers markets).

Total Projected Cost:	$1,296,609
Amount Spent to Date:	$1,296,609
Start Date:	September 2011
Completion Date:	June 2014
Name of Contractor:	Westat
Congressional Mandate:	No

Roles and Effectiveness of Community-based Organizations in SNAP

Community-based organizations (CBOs) play an increasingly important role in supporting SNAP outreach and applications. As the eligible SNAP population grows and State resources for program administration decline, CBOs have acquired new functions to facilitate SNAP participation. One of the most important new roles is the responsibility for conducting interviews with SNAP applicants. The variety among CBOs with respect to the clients they serve, how they provide SNAP-related services, and the nature of their relationships with local SNAP agencies is considerable. The initial phase of this study is to carry out a set of evaluations in several States conducting applicant interviews under FNS waiver authority. Data were collected to compare application activity, participation, payment accuracy and client satisfaction and to systematically describe implementation and operational procedures of the Community Partner Interviewer (CPI) demonstration projects.

Total Projected Cost:	$657,465
Amount Spent to Date:	$561,089
Start Date:	August 2011
Completion Date:	December 2014
Name of Contractor:	Insight Policy Research
Congressional Mandate:	No

Assessments of the Contributions of an Interview to SNAP and Benefit Determinations

This study is a rigorous evaluation of the impact of the no-interview approach to client screening when certifying applicants for SNAP benefits on error rates, benefit levels, administrative efficiency and customer satisfaction. The evaluation is being conducted in two states - Oregon and Utah.

Total Projected Cost:	$1,998,362
Amount Spent to Date:	$1,565,182
Start Date:	September 2010
Completion Date:	February 2015
Name of Contractor:	Mathematica Policy Research
Congressional Mandate	No

Understanding Childhood Hunger

The objective of this research grant program is to develop a clearer and more comprehensive understanding of why children experience very low food security in the United States. Nutrition assistance programs address the economic factors that are associated with hunger, and food insecurity measures describe the experience of disrupted eating patterns or reduced intake due to limited resources. The program has awarded 34 grants. These research grants will produce information that can form an integrated research framework, stimulate new and innovative research on childhood hunger, and examine the implications for nutrition assistance programs. The first round of grants was awarded in FY 2010, the second round in FY 2011, and the third round in FY 2013.

Total Projected Cost:	$6,499,983
Amount Spent to Date:	$5,297,485
Start Date:	September 2010
Completion Date:	September 2015
Name of Contractor:	University of Kentucky Research Foundation
Congressional Mandate:	No

Evaluation of Increasing SNAP Participation among Medicare's Extra Help Population Pilot Projects

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (PL 111-80) provides the Food and Nutrition Service (FNS) with funds to test the effectiveness of pilot projects designed to increase elderly participation in the Supplemental Nutrition Assistance Program (SNAP). Historically, elderly individuals who are eligible for SNAP have the lowest participation rates among all demographic groups. The pilot projects seek to increase participation in SNAP among beneficiaries of Medicare's Extra Help (also called the Low Income Subsidy or LIS) by using data from LIS applications. Since Extra Help and SNAP eligibility requirements are not identical, these pilot projects will test the most effective method of using LIS application data to increase SNAP participation among Extra Help beneficiaries who are eligible but not participating in SNAP. The pilots have closed and the final report is nearing completion.

Total Project Cost:	$2,718,407
Amount Spent to Date:	$2,608.795.93
Start Date:	September 2010
Completion Date:	September 2014
Name of Contractor:	Mathematica Policy Research

Congressional Mandate: Yes

Enhancing Completion Rates for SNAP Quality Control Reviews

The purpose of this study is to identify the factors that consistently lead to incomplete cases among active cases sampled for review and to recommend ways to enhance the completion rates. The objectives of this study include 1) gaining an understanding of the QC review process, specifically the process that leads to designating a case review as incomplete; 2) examining the characteristics of the incomplete cases as compared to complete cases; 3) identifying the problems that the QC reviewers face when attempting to complete cases; and 4) recommending ways to enhance the completion rates for SNAP QC reviews. This study will examine the QC process in each State, including the District of Columbia, Guam and the Virgin Islands and Federal Regional offices.

Total Project Cost:	$1,808,609
Amount Spent to Date:	$1,210,552.52
Start Date:	September 2012
Completion Date:	September 2015
Name of Contractor:	Insight Policy Research
Congressional Mandate:	No

Dynamics of SNAP Participants in the Late 2000s

This project describes individuals' patterns of participation in SNAP from 2008 to 2012 and analyzes which factors are associated with individuals' decisions to start or stop participating in SNAP. It also explores reasons why individuals enter and leave SNAP, how long they receive benefits, and how frequently they return to SNAP after existing. It uses data from the Survey of Income and Program Participation.

Total Projected Cost:	$443,994
Amount Spent to Date:	$288,240
Start Date:	June 2013
Completion Date:	November 2014
Name of Contractor:	Decision Demographics
Congressional Mandate:	No

SNAP Employment and Training Services

The Supplemental Nutrition Assistance Program (SNAP) provides employment and training (E&T) services to unemployed and under-employed participants. SNAP participants who are not specifically exempted by statute are subject to work requirements as a condition of eligibility. This study is being conducted to better understand the characteristics of SNAP work registrants, the barriers they face when trying to find work, their training needs, and the services they receive through SNAP E&T programs. This study will also examine characteristics of the E&T service providers.

Total Projected Cost:	$1,489,345
Amount Spent to Date:	$220,237.50
Start Date:	September 2013
Completion Date:	July 2016
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	No

Analysis of FY 2013 SNAP E&T State Plans and Program Data for All States

This study is being conducted to assess the availability of data to examine the reach and scope of SNAP E&T programs implemented by the States, in order to facilitate monitoring of E&T services and to develop guidance for best practices. The analysis will use State E&T plans for FY13, program activity report data for FY13, and expenditure data. For each State, the study will assess how well planned participation levels and program costs align with results, how costs vary by program type, and whether additional data collected by the program could inform program performance.

Total Projected Cost:	$324,300
Amount Spent to Date:	$0
Start Date:	August 2014
Completion Date:	August 2015
Name of Contractor:	Social Policy Research, Inc.
Congressional Mandate:	No

Feasibility of a National Database of SNAP Caseload Data

This study is examining the feasibility of creating a national research database of SNAP caseload data. The goal is to determine if FNS can enhance its analytic capabilities by collecting more data from States, while at the same time reducing burden on States by eliminating most of all ad hoc data requests. The contract is examining the research potentials of such a database, the technological requirements, and legal limitations of such a database. The methodology includes interviews with FNS staff and staff in five states to determine research needs and technological capabilities, along with analyses of similar public sector and private sector databases.

Total Projected Cost:	$459,705
Amount Spent to Date:	$196,566
Start Date:	September 2013
Completion Date:	January 2015
Name of Contractor:	Walter R. McDonald Associates
Congressional Mandate:	No

Methods to Standardize State Standard Utility Allowances

The primary objectives of this study are to (1) conduct a review of available data on utility costs to determine which sources are most useful for this study; (2) develop and test two or more methods for standardizing the development of Standard Utility Allowances (SUAs) across all States; and (3) develop and test two or more methodologies for making annual adjustments to SUAs. Using the results of this study, FNS will be better able to advise and develop consistency across States in determining their SUAs.

Total Projected Cost:	$226,495
Amount Spent to Date:	$226,495
Start Date:	May 2013
Completion Date:	May 2014
Name of Contractor:	Econometrica
Congressional Mandate:	No

Asset Limits and Their Impact on SNAP Participation and Financial Stability

This study will examine the effects of asset limits on low-income households' financial stability and participation in SNAP. Of particular interest is how asset limits impact a household's ability to participate in traditional financial markets, weather financial shocks, and generally improve their economic well-being so that over time they can rely less on SNAP or other assistance programs. The first phase of the study will be a feasibility analysis that examines available data sources and assesses the extent to which these data sources can be used to answer research questions of interest. Phase 2 of the study, if deemed feasible, will be to develop plans for and conduct analyses of the effects of asset limits on SNAP households.

Total Projected Cost:	$181,499
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	January 2016
Name of Contractor:	Orlin Research, Inc.
Congressional Mandate:	No

Assessment of Tribal Administration of Federal Nutrition Assistance Programs

This project is assessing the feasibility of tribal administration of Federal nutrition assistance programs, in response to Section 4004(b)(2) in the Agriculture Act of 2014. This study examines the services, functions, and activities associated with program administration, and assesses the capabilities of tribes to administer all or portions of the programs.

Total Projected Cost:	$899,579
Amount Spent to Date:	$0
Start Date:	July 2014
Completion Date:	August 2015
Name of Contractor:	IMPAQ International
Congressional Mandate:	Yes, 2014 Farm Bill

Examination of Cash Nutrition Assistance Program Benefits in Puerto Rico

Currently 25 percent of a household's allotment of Nutrition Assistance Program benefits in Puerto Rico is provided in the form of cash. The Agricultural Act of 2014 contains a provision (Section 4025) that over a 5-year period transitions the cash portion of the benefit to electronic benefit transfer by 2021. The Act also provides funds to carry out a review of the history, purpose, and usage of the cash portion of the benefit. The study is also to include an assessment of the potential adverse effects of discontinuation of cash benefits for both program participants and retailers.

Total Project Cost:	$999,796
Amount Spent to Date:	$0
Start Date:	May 2014
Completion Date:	August 2015
Name of Contractor:	Insight Policy Research
Congressional Mandate:	Yes, The Agricultural Act of 2014

Assessing the Feasibility of Implementing SNAP in the Commonwealth of the Northern Mariana Islands (CNMI)

This study assesses the feasibility of operating the Supplemental Nutrition Assistance Program (SNAP) in the Commonwealth of the Northern Mariana Islands (CNMI). The Agricultural Act of 2014 authorizes a study of CNMI's capacity to administer SNAP in a manner similar to the way States currently administer the program or through an alternative model and is to be completed within 24 months of enactment.

Total Projected Cost:	$1,990,930
Amount Spent to Date:	$135,932
Start Date:	May 2014
Completion Date:	February 2016
Name of Contractor:	Insight Policy Research
Congressional Mandate:	Yes, 2014 Farm Bill

Developing Recommendations for Scoring SNAP Retailer Applications

The Agricultural Act of 2014 increases the stocking and technological requirements for stores that seek to be authorized to redeem SNAP benefits. However, there is concern that this may create areas in which no stores are SNAP authorized. The envisioned SNAP authorization scoring system will serve two purposes. First, it will create an empirically justifiable and transparent way of prioritizing which retailers would be SNAP authorized in an area where no stores meet the enhanced authorization criteria. Second, it will provide guidance for what a retailer that fails to receive authorization should improve if they wish to receive authorization.

Total Projected Cost:	$325,969.40
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	November 2014
Name of Contractor:	Manhattan Strategy Group
Congressional Mandate:	No

Evaluation of Demonstration Projects to End Childhood Hunger

The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 (Public Law 111-296), under Section 141, added a new Section 23 on Childhood Hunger Research to the Richard B. Russell National School Lunch Act. This section provides substantial new mandatory funding to research the causes and consequences of childhood hunger and to test innovative strategies to end child hunger and food insecurity. This provision provides $40 million to the U.S. Department of Agriculture (USDA) to conduct and evaluate the demonstration projects. The purpose of the evaluation is to rigorously assess the impact of five demonstration projects on the prevalence of child food insecurity, and other relevant outcomes.

Total Projected Cost:	$9,998,212
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	November 2018
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	Yes, Healthy, Hunger-Free Kids Act (HHFKA) of 2010

WIC

National and State-level Estimates of WIC Eligibles and WIC Program Reach, 2012 Update

This study updates the estimates of the WIC-eligible population for the U.S., for each of the 7 FNS regions, and for each of the 50 States, the District of Columbia, and five U.S. territories: the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. Estimates will include breakdowns of each of the eight participant subgroups: pregnant women, infants, children at each year of age (ages 1, 2, 3, and 4), breastfeeding women, and postpartum non-breastfeeding women. These estimates are used to help allocate funding in the WIC funding formula and to track the national WIC coverage rate.

Total Projected Cost:	$67,938
Amount Spent to Date:	$67,398
Start Date:	September 2013
Completion Date:	October 2014
Name of Contractor:	Urban Institute
Congressional Mandate:	No

National and State-level Estimates of WIC Eligibles and WIC Program Reach, 2013 Update

This study will update the estimates of the WIC-eligible population for the U.S., for each of the 7 FNS regions, and for each of the 50 States, the District of Columbia, and five U.S. territories: the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. Estimates will include breakdowns of each of the eight participant subgroups: pregnant women, infants, children at each year of age (ages 1, 2, 3, and 4), breastfeeding women, and postpartum non-breastfeeding women. These estimates are used to help allocate funding in the WIC funding formula and to track the national WIC coverage rate.

Total Projected Cost:	$70,634
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	August 2015
Name of Contractor:	Urban Institute
Congressional Mandate:	No

WIC Vendor Management Practices Data Aging, FY 2013 Update

This study updates the annual aging of data on WIC vendor erroneous payments for reporting in the USDA Performance and Accountability Report (PAR). It helps fulfill the requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA). Using a statistical procedure called "raking," data from the study of FY2012 WIC vendor payments published in 2013 are adjusted using administrative data reported by States and maintained in the Integrity Profile (TIP) database. The TIP database includes reports of findings from the required covert compliance purchases at WIC vendors conducted on an ongoing basis by State WIC agencies. Annual aging of the data from the 2013 study will be needed until results from the next WIC Vendor Management Study are available.

Total Projected Cost:	$135,822
Amount Spent to Date:	$68,127

Start Date: September 2013
Completion Date: November 2014
Name of Contractor: Walter R. McDonald & Associates
Congressional Mandate: Yes

WIC Vendor Management EBT Study

Although the 2013 WIC Vendor Management Study satisfies Improper Payments Elimination and Recovery Act of 2010 (IPERA) requirements, the electronic benefits transfer (EBT) study is designed to augment these findings and provide a unique opportunity to closely examine compliance issues and rates of violations among vendors in states with an EBT system. The latter is of the utmost importance, since all state WIC agencies are required to have an EBT system in place by 2020. EBT is the wave of the future for WIC and will be the predominant, if not only, form of payment accepted by WIC vendors when the next Vendor Management bookend study is undertaken. The purpose of this study is to determine the extent to which WIC-authorized retail grocers (WIC vendors) transacting WIC EBT purchases adhere to program rules. Foremost among the rules that will be examined are the extent to which WIC vendors complete the WIC transaction at checkout in accordance with proper WIC program procedures, allow only WIC-authorized foods to be purchased by participants, and charge the WIC program appropriately for the foods purchased.

Total Projected Cost: $1,434,292
Amount Spent to Date: $66,716
Start Date: August 2011
Completion Date: January 2016
Name of Contractor: Altarum
Congressional Mandate: Yes (supports compliance with PL 107-300)

WIC Vendor Risk Reduction Study

Over the past several years, there have been significant changes in the food delivery and vendor management components of WIC. The most dramatic changes include revisions to the WIC food package, improvements to management information systems, and the expanding implementation of EBT. In addition, a number of legislative and regulatory changes have been made to improve the management of WIC vendors, such as requiring WIC state agencies to implement vendor peer groups for assessing vendor pricing and for establishing competitive maximum allowable reimbursement levels. Through the WIC Vendor Risk Reduction Study, FNS is interested in identifying effective WIC peer grouping systems that are currently in place as well as more effective and possibly more innovative approaches that can be implemented widely by WIC state agencies.

Total Projected Cost: $750,290
Amount Spent to Date: $215,943
Start Date: September 2013
Completion Date: July 2016
Name of Contractor: Altarum
Congressional Mandate: No

WIC Indicators of High Risk Vendors

The study seeks to be descriptive in nature, evaluating the present and future high risk indicators in WIC vendors to identify and determine potential violations in the program. The objectives of the current project are to identify practices of programs such as SNAP, TANF, and financial institutions (credit and debit-card companies) that can be applied to WIC High Risk Vendor identification, develop and test a simulation model using WIC EBT data to

identify high risk WIC vendors in EBT States, and identify design specifications for a national WIC fraud detection system.

Total Projected Cost:	$1,200,742
Amount Spent to Date:	$309,800
Start Date:	September 2012
Completion Date:	March 2016
Name of Contractor:	T3 Technologies, LLC
Congressional Mandate:	No

WIC Participant and Program Characteristics - 2014

Data for this project has been generated from WIC State management information systems biennially since 1992, based on a near census of WIC participants as they are enrolled in the program. The project's report summarizes demographic characteristics of WIC participants nationwide in April 2014, along with information on participant income and nutrition risk characteristics. The report also describes WIC members of migrant farm-worker families. National and State-level estimates of breastfeeding initiation for WIC infants are included. This project will also deliver a data set covering the food packages issued to most WIC participants for use in projections of program cost and other market impacts.

Total Projected Cost:	$1,013,300
Amount Spent to Date:	$ 210,286
Start Date:	July 2013
Completion Date:	October 2015
Name of Contractor:	Insight Policy Research, Inc.
Congressional Mandate:	No

Improved Reporting WIC Participants by Food Package

The change in the WIC food packages in 2009 was followed by conforming changes in the requirements for reporting data in the biennial WIC Participant and Program Characteristics (PC) data collection. The results from PC 2010 and PC 2012 indicate that many States are having challenges providing the biennial data with complete reporting of participants by the 27 WIC food package categories. This project is identifying and documenting the specific weaknesses in State reporting of this variable. This information will be used by FNS and its WIC PC contractor to help State agencies refine and improve the accuracy and completeness of their reporting.

Total Projected Cost:	$89,645
Amount Spent to Date:	$ 0
Start Date:	March 2014
Completion Date:	October 2015
Name of Contractor:	Insight Policy Research, Inc.
Congressional Mandate:	No

Updating the WIC Participant Characteristics (PC) Reporting System

This project will form and support a task force of subject matter experts to examine WIC data and analysis needs and develop potential improvements. Recent changes in WIC have highlighted the need to ensure that FNS and its partners have the information necessary for effective program management, performance assessment and monitoring. In addition, the closure two years ago of CDC's Pediatric Nutrition Surveillance System, which complemented WIC PC, left an important information gap. This task force will examine what data are currently available to States, including what FNS collects through PC and other resources, and recommend possible modifications to PC data collection timing,

data elements, analyses and reporting. It will also consider other opportunities for using and analyzing data to further the program's management and health and nutrition goals, without unnecessary burden.

Total Projected Cost:	$621,599.13
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	March 2017
Name of Contractor:	Manhattan Strategy Group
Congressional Mandate:	No

WIC-Medicaid Cost-Benefit Study

The first FNS-sponsored WIC Medicaid Study, published in 1991, found that in 1987-88, every dollar spent on WIC services to low-income pregnant women saved $1.77 to $3.13 in Medicaid cost during the first 60 days following delivery. The present study will explore the feasibility of 1) replicating this study to update the findings, and 2) extending the exploration of WIC cost-benefit and cost-effectiveness for pregnant women and other categories of WIC participants. The contract includes an option to extend the study to additional States if the analysis proves feasible. The cost and timing information provided below includes only the feasibility study.

Total Projected Cost:	$1,849,732
Amount Spent to Date:	$1,471,548
Start Date:	August 2010
Completion Date:	December 2015
Name of Contractor:	Mathematica Policy Research, Inc.
Congressional Mandate:	No

WIC Nutrition Education Study

The main objectives of this study are to provide a nationally representative description of WIC nutrition education and to perform a pilot study on the impact of WIC nutrition education on behavioral and physical activity outcomes in six sites. Findings from the nationally representative description of WIC nutrition education are to be used to inform and refine the pilot study. This study plans to use multiple modes of data collection from state agencies, local agencies, nutrition educators, and WIC participants. The multi-method approach includes the use of web surveys, paper-based surveys, telephone interviews, in-person focus groups and interviews, observations, and administrative data reviews to fully capture WIC nutrition education dosage, duration, and frequency of use by geographic distribution and local agency characteristics.

Total Projected Cost:	$3,815,974
Amount Spent to Date:	$534,000
Start Date:	September 2012
Completion Date:	September 2017
Name of Contractor:	Research Triangle Institute
Congressionally Mandated:	No

WIC Nutrition Services and Administrative (NSA) Costs Study

This study will provide a detailed account of WIC's Nutrition Services costs and their Administrative costs. Because the "NSA" costs are reported together, the amounts spent in each category are difficult to measure. This study will provide a clearer picture of how WIC funds are spent on key nutrition services.

Total Projected Cost: $1,804,555

Amount Spent to Date: $ 470,901
Start Date: September 2012
Completion Date: August 2017
Name of Contractor: Altarum Institute
Congressional Mandated: No

Simulation of Limited Medicaid Adjunctive Income Eligibility:

This project is a collaboration with Illinois to see what it would take to develop the capability to electronically query Medicaid information systems at the time of application for WIC benefits to see if the applicant is on Medicaid and has income below a selected threshold (such as 250% of poverty). It would determine the start-up and ongoing costs to use this system as a routine component of certification, *but is only exploratory and would not impact the WIC certification decision*. The information would better position WIC to continue efficiency in income eligibility determinations in case legislation at a later date requires an upper bound on Medicaid adjunctive income eligibility.

Total Projected Cost: $752,874
Amount Spent to Date: $453,114
Start Date: September 2013
Completion Date: April 2015
Name of Contractor: Teracore, Inc.
Congressional Mandate: No

Comprehensive Scientific Review of the WIC Food Packages: The Healthy Hunger Free Kids Act (Section 232) requires a review of the WIC food package at least every ten years to ensure that it conforms to current nutrition science, public health concerns, and cultural eating patterns. The most recent scientific review concluded in April 2005. The National Academies' Institute of Medicine (IOM) was recently awarded the contract to conduct the next review.

Total Projected Cost: $2,673,711
Amount Spent to Date: $0
Start Date: August 2014
Completion Date: March 2017
Name of Contractor: National Academies Institute of Medicine
Congressional Mandate: Yes

WIC Food Package Policy Options Study II: In 2011, FNS published a report on the choices each WIC State agency made in 2009 in exercising the flexibilities allowed under the WIC food package interim rule. Since then, States have made numerous adjustments to their policy choices. This study will update the previous study with an examination of which foods States offer in their food packages after 5 years of experience with the new food packages and after implementation of much of the WIC final food package rule.

Total Projected Cost: $349,945
Amount Spent to Date: $0
Start Date: September 2014
Completion Date: June 2015
Name of Contractor: Insight Policy Research
Congressional Mandate: No

WIC Infant and Toddler Feeding Practices Study-2 (WIC ITFPS-2)

This nationally-representative study updates and expands upon research conducted in the 1990's, the WIC Infant Feeding Practices (WIC IFPS-1). The current study will provide contemporary information on the feeding practices of infants enrolled in the WIC Program shortly after birth, assessing change periodically over the first three years of their lives. It will determine the prevalence of particular feeding practices in this WIC population as they relate to weight status, and assess how the WIC food packages, instituted in 2009, have influenced feeding practices, including breastfeeding. This study will also examine the circumstances and influences that shape a mother's feeding decisions for their toddler to assist in further improvement of WIC nutrition education.

Total Projected Cost:	$13,186,206
Amount Spent to Date:	$ 5,209,598
Start Date:	September 2011
Completion Date:	September 2018
Name of Contractor:	Westat
Congressional Mandate:	No

WIC Breastfeeding Peer Counseling Study

The study will conduct a census of State Agencies to examine their peer counseling practices. It will update the first phase of this project, the 2010 Breastfeeding Peer Counseling Implementation study that collected data in 2008. Since that report, Peer Counseling funding had increased. This report will examine how States have utilized the increased funding in expanding their Peer Counseling programs.

Total Projected Cost:	$2,566,137
Amount Spent to Date:	$1,939,370
Start Date:	September 2006
Completion Date:	January 2015
Name of Contractor:	Abt Associates, Inc.
Congressional Mandate:	No

WIC Breastfeeding Policies Inventory

The WIC Breastfeeding Policy Inventory study seeks to examine how States and local agencies measure breastfeeding and gather those data, catalog the policies and practices States and local agencies use to support and track breastfeeding, and examine how State and local agencies collect breastfeeding data.

Total Projected Cost:	$963,368
Amount Spent to Date:	$943,187
Start Date:	May 2011
Completion Date:	October 2014
Name of Contractor:	Mathematica Policy Research, Inc.
Congressional Mandate:	No

USDA Center for WIC Nutrition Education Innovations

This grant establishes a center for researcher-initiated projects to demonstrate creative approaches to evaluate or develop aspects of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), coordinate activities among researchers, and widely disseminate findings. Following a competition, FNS awarded a grant to the USDA/ARS Children's Nutrition Research Center (CNRC) at Baylor College of Medicine to establish the WIC Center, which will: (1) Support researcher-initiated projects that use a common approach to reporting findings to ensure transparency and facilitate a meta-analysis of all projects; (2) Coordinate activities among researchers; (3) Effectively use technology and digital media to achieve desired outcomes; and (4) Advance communication and coordination to improve target behaviors. The recipients of the grant and sub-grants will be required to publish their findings and present the results to the WIC and research communities to advance dissemination of the effective innovations. The following projects are supported by the subgrants:

1. Lorrene Ritchie from the University of California at Berkeley's work will focus on studying the impact of online nutrition education for women in the WIC program versus the traditional clinic-based modes of delivering nutrition education.
2. Rafael Perez-Escamilla from Yale University's work will test the effectiveness of a web-based, two-way texting intervention to improve exclusive breastfeeding rates among WIC mothers.
3. Jennifer Di Noia from William Paterson University will focus on developing and testing a web-based nutrition education lesson to promote fruit and vegetable consumption through purchases at Farmers Markets. The lesson is conceptually grounded in formative research on knowledge, attitudes and skills influencing farmers' market fruit and vegetable purchases and consumption and theoretical understanding of approaches for modifying them.
4. M. Jane Heinig from UC Davis will focus on supporting baby behavior education for WIC participants through pediatric offices. This project will test low-cost video training and tools targeted to medical staff in pediatric clinics serving low-income families. Each research team is working in collaboration with a state or local WIC program.

Total Project Cost:	$1,999,980
Amount Spent to Date:	$72,454
Start Date:	September 2012
Completion Date:	September 2016
Name of Grantee:	Baylor College of Medicine
Congressional Mandate:	No

University-Based Grants to Assess WIC Impacts on Periconceptional Nutrition

The grant supports one competitively-selected university, the University of California at Los Angles (UCLA), to award competitive sub-grants to evaluate the impacts of WIC on periconceptional nutrition and widely disseminate the findings. FNS' focus for this project is the direct and indirect effects of WIC participation at the critical point in development surrounding the time of conception. The objective is to promote research partnerships between academic institutions and WIC agencies as well as identify cost-neutral approaches in four priority areas: 1) periconceptional nutrition risk assessment, 2) periconceptional nutrition and health promotion, 3) periconceptional nutrition intervention, and 4) WIC as a gateway to periconceptional health and healthcare. The following projects are supported by the subgrants:

1. Theodore Joyce, The City University of New York (CUNY), in partnership with Oregon WIC: *Examining the association between the interpregnancy interval and maternal health.*
2. Leanne Redman, Pennington Biomedical Research Center and the East Baton Rouge Parish WIC Clinic and Capitol City Family Health Center: *E-Moms: A Personalized Telehealth Intervention for Health and Weight Loss in postpartum Women.*
3. Nancy Krebs, University of Colorado and the San Luis Valley WIC Agency: *Peri-Conception Health in the San Luis Valley.*
4. Maria Koleilat, Public Health Foundation WIC and Pepperdine University: *Improving Health Through the Prevention of Excessive Gestational Weight Gain.*
5. Elizabeth Metallinos-Katsaras, Simmons College and the Massachusetts WIC Program: *Short Interpregnancy Interval and Weight Retention Among Massachusetts WIC Participants: Identifying Strategies to Improve Interconceptional Health.*
6. David Paige, Johns Hopkins University and Johns Hopkins WIC: *Integrating Obstetrical Care and WIC Nutritional Service to Address Maternal Obesity and Postpartum Weight Retention.*
7. Margaret Handley, University of California at San Francisco and Sonoma County WIC with San Francisco WIC: *Reaching High-Risk, Post-partum Women for Nutritional Assessment and Counseling Via a Telephone-based Coaching Program.*

Total Projected Cost:	$997,759
Amount Spent to Date:	$366,000
Start Date:	September 2011
Completion Date:	September 2016
Name of Contractor:	UCLA
Congressional Mandate:	No

Report on Sole-Source Contracts in WIC

The Agricultural Act of 2014 (P.L. 113-79 Sec. 4212) instructs the Secretary of Agriculture to conduct an evaluation of the effect of sole-source contracts in Federal nutrition programs. This project will focus on the WIC program's use of sole-source contracting and wholesale rebates on infant formula and other products to reduce food package costs, evaluating the impact of these contracts on program participation, program goals, nonprogram consumers, retailers, and free market dynamics.

Total Projected Cost:	0.5 FTE
Amount Spent to Date:	0.1 FTE
Start Date:	September 2014
Completion Date:	February 2015
Name of Contractor:	In-house
Congressional Mandate:	Yes

Child Nutrition Programs

School Nutrition and Meal Cost Study

The National School Lunch Program and School Breakfast Program are designed to provide nutritionally balanced, low cost or free meals to children. With the implementation of the new meal standards, there is considerable interest in research on the success of school meals meeting these new program goals, the cost of serving healthful meals that are acceptable to children, and the relationship of school menus and competitive foods to children's participation and diets. This study, which includes the fifth cycle of the periodic School Nutrition Dietary Assessment (SNDA-5), will examine the relationships between school environment and school food service operations, nutritional quality of meals offered and served in school meal programs, plate waste, costs to produce reimbursable meals, student participation, participant characteristics, satisfaction and related attitudes toward the school lunch and breakfast programs. Primary data collection will occur in School Year 2014/15.

Total Projected Cost:	$17,944,542
Amount Spent to Date:	$ 1,680,159
Start Date:	February 2013
Completion Date:	February 2017
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	No

Direct Certification Report to Congress SY 2013-2014

This study responded to the legislative requirement of Public Law 110-246 to assess the effectiveness of State and local efforts to directly certify children for free school meals. Under direct certification, children are determined eligible for free school meals without the need for household applications by using data from other means-tested programs. The 2004 Child Nutrition and WIC Reauthorization Act required local educational agencies (LEAs) to establish a system of direct certification of children from households that receive Supplemental Nutrition Assistance Program (SNAP) benefits by School Year (SY) 2008-2009.

Total Projected Cost:	$193,840
Amount Spent to Date:	$106,512
Start Date:	April 2014
Completion Date:	November 2014
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	Yes

National School Lunch Program-Direct Certification Improvement Study

Use of direct certification has increased since the 2004 reauthorization but is still not universal, despite the mandate. The core aims of the study are to describe current direct certification processes and procedures employed by States and Local Education Agencies (LEAs); explore the relationship between these methods and overall direct certification performance measures; and identify steps for continuous improvement in data-matching techniques and tools to increase matching rates.

Total Projected Cost:	$1,258,944
Amount Spent to Date:	$1,243,805
Start Date:	September 2010
Completion Date:	October 2014
Name of Contractor:	Mathematica Policy Research, Inc.
Congressional Mandate:	No

Evaluation of the NSLP Direct Certification with Medicaid Demonstration

Section 103 of the Healthy Hunger Free Kids Act of 2010 (P.L. 111-296) authorizes for a limited number of jurisdictions direct certification for free school meals using data from Medicaid certifications. This study will assess the impacts of this legislative change to determine whether direct certification of eligible children with Medicaid data is an effective method of certifying children for free lunches and breakfasts. Year 1 data collection is currently being conducted in 5 States.

Total Projected Cost:	$4,391,318
Amount Spent to Date:	$2,244,223
Start Date:	April 2012
Completion Date:	January 2016
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	Yes

Regional Office Review of Applications 2014 (RORA)

The annual RORA process examines the administrative accuracy of eligibility determinations and benefit issuance for free or reduced-price meals in the National School Lunch Program. The report addresses the following research questions: (1) Based on the information provided on applications, did the local educational agencies (LEAs) accurately determine household size and gross monthly income? What types of administrative errors were made? (2) Based on the information provided on applications, did the LEAs make the correct meal price status determination during certification? What types of administrative errors were made? (3) Based on the documentation on file, were students receiving the correct meal benefits? (4) Has the accuracy of LEA certification and benefit status determinations changed over time?

Total Projected Cost:	$ 119,086
Amount Spent to Date:	$0
Start Date:	October 2014
Completion Date:	September 2015
Name of Contractor:	Westat
Congressional Mandate:	No

National School Lunch Program and School Breakfast Program Access, Participation, Eligibility, and Certification Study II (APEC-II)

The Improper Payments Elimination and Recovery Act of 2010 (IPERA) requires the Department of Agriculture (USDA) to identify and reduce improper payments in major Federal programs. During the 2005-06 School Year (SY) the Access, Participation, Eligibility, and Certification (APEC) study was conducted for FNS and provided the first reliable national estimates of improper payments for the National School Lunch Program (NSLP) and School Breakfast Program (SBP) the NSLP and SBP. The results were released in November 2007. The current "APEC-II" study will produce updated national estimates of overpayment, underpayment and overall erroneous payments made under the NSLP and SBP. The study will measure certification error and meal counting and claiming error in SY 2012-2013 and compare these results with those found in SY 2005-06. It will also develop and validate estimation models for updating the erroneous payment estimates annually with NSLP and SBP administrative records and extant data between national studies.

In addition, this study will produce a separate estimate of improper payments for local education agencies participating in the Community Eligibility Option

and will examine alternatives to develop estimates of erroneous payment estimates at the State level.

Total Projected Cost:	$9,530,026
Amount Spent to Date:	$8,113,579
Start Date:	December 2011
Completion Date:	December 2016
Name of Contractor:	Mathematica Policy Research, Inc.
Congressional Mandate:	Yes

Methods for State-Specific Rates of NSLP/SBP Erroneous Payments

The FNS-sponsored Access, Participation, Eligibility and Certification Study 2 (APEC-II)includes a follow-on report that will provide statistically-derived State-level estimates of school meals erroneous payments. However, while the APEC-2 can provide a rough indicator of relative risk for groups of States (e.g., higher than average, about average, lower than average), it is not a State-representative direct measure, and creating actual annual measures of such erroneous payments at the State level using APEC methodology is cost-prohibitive. This project will explore alternative approaches to developing measurement-based State-specific estimates that are responsive to year-to-year changes in the actual underlying rate in each State. It will provide cost and burden estimates for the implementation of each of these methods.

Total Projected Cost:	$253,728
Amount Spent to Date:	$0
Start Date:	August 2014
Completion Date:	March 2016
Name of Contractor:	Manhattan Strategy Group (MSG)
Congressional Mandate:	No

Special Nutrition Program Operations Study

This series of studies collects information needed to address current policy issues related to the Child Nutrition Programs, including those resulting from the Healthy Hunger-Free Kids Act of 2010 (P.L. 111-296). The study is designed to collect data from a nationally representative sample of about 1,500 school food authorities (SFAs) and all Child Nutrition State Agencies. Data was collected in school year 2011-12, 2012-2013 and is being collected for school year 2013-14 for the same sample of SFAs.

Total Projected Cost:	$3,181,301
Amount Spent to Date:	$2,438,071
Start Date:	July 2010
Completion Date:	July 2015
Name of Contractor:	Westat (Years 1 and 2) 2m Research Services (Year 3)
Congressional Mandate:	No

Review of Child Nutrition Data & Analysis for Program Management

This project calls for the review and documentation of School Food Authority (SFA) and State NSLP and SBP management information systems. This baseline "as is" review shall document overall NSLP/SBP system design, capabilities, functions, development / replacement and maintenance costs, typical lifespan, and how the data systems are used by State and SFA officials beyond fulfilling reporting requirements to FNS. The "as is" review will focus particular attention on NSLP and SBP program management data that is collected or generated at the SFA or State agency levels but is not reported to FNS on any

of FNS's program forms. The selected contractor will fully document and describe these data elements, how they are used to support management of the NSLP, SBP, or State or local programs, and how commonly each of these elements is collected or generated by SFAs and State agencies.

Total Projected Cost:	$1,099,787
Amount Spent to Date:	$0
Start Date:	October 2014
Completion Date:	September 2017
Name of Contractor:	IMPAQ International
Congressional Mandate:	No

Evaluation of the Pilot Project for Canned, Frozen, or Dried Fruits and Vegetables in the Fresh Fruit and Vegetable Program (FFVP)

The Agricultural Act of 2014 (P.L. 113-79 Sec. 4214) instructed the Secretary of Agriculture to carry out a pilot project in schools participating in FFVP to evaluate the impact of allowing schools to offer canned, frozen, or dried fruits and vegetables as part of FFVP for School Year 2014-2015. As part of the authorizing legislation, the Secretary was tasked in Section 4214(c) with conducting an evaluation of the pilot. Objectives of the evaluation include examining the impacts of the pilot on fruit and vegetable consumption and school participation, implementation strategies used by participating schools, and acceptance of the pilot by key stakeholders.

Total Projected Cost:	$4,999,978
Amount Spent to Date:	$ 372,180
Start Date:	April 2014
Completion Date:	September 2016
Name of Contractor:	Mathematica Policy Research, Inc.
Congressional Mandate:	Yes - P.L. 113-79 Sec. 4214

Center for Behavioral Economics and Child Nutrition Research

The Center is to provide economic and other social science information and analysis for public and private decisions on agriculture, food, natural resources, and rural America. The Center shall span the conceptual and practical aspects of behavioral economics research, providing a bridge for innovative frontline research to be disseminated effectively to food service administrators and other practitioners. Grants will be awarded yearly to PhD candidates and junior faculty seeking funding for either experimental or econometric research projects examining behavioral economic issues as applied to nutrition, especially childhood nutrition. Analyses of natural experiments and field experiments within the context of school cafeterias will be particularly encouraged. Support for this Center is provided through an interagency transfer of funds from FNS to the USDA Economic Research Service (ERS) which administers the grant to Cornell University. The grant was first awarded for FY 2010 and extended for FY 2011, 2012, 2013, and 2014.

Total Projected Cost:	$7,002,283
Amount Spent to Date:	$3,116,228
Start Date:	September 2010
Completion Date:	September 2019
Name of Contractor:	Cornell University
Congressional Mandate:	No

CACFP Program Assessment of Sponsor Tiering Determination 2014

The Improper Payments Elimination and Recovery Act of 2010 (IPERA) requires the Department of Agriculture (USDA) to identify and reduce erroneous over- and under-payments in various programs, including the Child and Adult Care Food Program (CACFP). CACFP makes nutritious meals and snacks available each day to children and adults who are enrolled in participating child-care centers, day-care homes, and adult day-care centers. The objective of the current project is to develop an estimate of the extent to which sponsors' misclassify family child day-care homes (FDCHs) as Tier I or Tier II for program reimbursement of meal claims, a key requirement of FNS' overall plan to assess and reduce erroneous payments. The costs associated with misclassification, and change in the rate and cost over time, are also determined.

Total Projected Cost:	$367,923
Amount Spent to Date:	$ 70,645
Start Date:	February 2014
Completion Date:	October 2015
Name of Contractor:	Optimal Solutions Group
Congressional Mandate:	Yes

Child and Adult Care Food Program (CACFP) Improper Payments Meal Claims Feasibility Study 2014

The USDA's Food and Nutrition Service (FNS) sponsored the 2010 Child and Adult Care Program (CACFP) Assessment of Meal Claims Improper Payments, which tested the feasibility of using parent recall as a component of measuring erroneous payments for meals served and claimed at family daycare homes (FDCHs). The results showed that parent recall of meals served was a poor proxy measure for actual meals served at FDCHs and thus did not provide a viable method for estimating erroneous payments of CACFP meal claims. The purpose of this study is to establish a method for accurately estimating meals served at FDCHs and comparing those to meals claimed and calculating error, and tests the viability of this method on a sample of FDCHs for the purpose of estimating the rate of improper payments for CACFP meal claims.

Total Projected Cost:	$1,084,908
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	October 2017
Name of Contractor:	Manhattan Strategy Group
Congressional Mandate:	Yes (supports compliance with PL 107-300)

Child and Adult Care Food Program (CACFP) Erroneous Payments in Childcare Centers Study (EPICCS)

Given the increased attention to erroneous payments in recent years, this study will produce the first national estimates of erroneous payments in CACFP Childcare centers. This study shall provide national estimates for overpayments, underpayments and overall erroneous payments made to CACFP centers based on onsite data collection, web surveys and/or key informant interviews, and review of administrative data. Separate estimates shall be made for certification error and meal counting and claiming errors. It shall also provide estimation models for use to annually updating erroneous payment estimates for CACFP using available extant data (routine administrative records etc.), i.e. without the need for any additional data collection.

Total Projected Cost: $4,681,543
Amount Spent to Date: $0
Start Date: September 2014
Completion Date: September 2019
Name of Contractor: Westat
Congressional Mandate: Yes (supports compliance with PL 107-300)

Child and Adult Care Food Program (CACFP) Sponsor and Provider Characteristics Study

The goal of this study is to conduct a national survey of CACFP sponsors and providers that will provide policy-makers, advocates, and the general public with up-to-date information about who is sponsoring child care providers; the type of training and technical assistance sponsors receive from their State Child Nutrition Agency; how often and what aspects of the program States monitor; how sponsors operate and manage the program to ensure its integrity, as well as compliance with Federal and State regulation; and what types of providers do sponsors serve.

Total Projected Cost: $1,702,377
Amount Spent to Date: $668,974
Start Date: September 2013
Completion Date: September 2016
Name of Contractor: Kokopelli Associates, LLC
Congressional Mandate: No

Study on Nutrition and Wellness Quality in Child Care Settings

One portion of this study responds to the requirements of Section 223 of the Healthy and Hunger Free Kids Act of 2010 to assess: the nutritional quality of foods provided in Child and Adult Care Food Program (CACFP)-participating child care settings (as compared to the recommendations in the most recent Dietary Guidelines for Americans and the Dietary Reference Intakes); children's opportunities for physical activity while in child care; and facilitators and barriers to providing healthy foods and physical activity in licensed child care. The second portion of this study will conduct a dietary intake assessment of participants in the Child and Adult Care Food Program (CACFP) and calculate the average meal and snack costs, including indirect and local administrative costs, for CACFP.

Total Projected Cost: $10,804,303
Amount Spent to Date: $0
Start Date: September 2014
Completion Date: December 2019
Name of Contractor: Abt Associates
Congressional Mandate: Yes

Evaluation of the Summer Food Service Program Enhancement Demonstrations (Wave II)

Authorized under the 2010 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act (P.L. 111-80, 749(g)), the Summer Food for Children demonstration projects were initiated by the USDA's FNS to develop and test innovative approaches to boost participation in the summer feeding programs and to close the summer hunger gap. For summer 2012, two types of Summer Food Service Program (SFSP) enhancement demonstration projects were implemented and evaluated:

1. *Home Delivery Demonstration Project:* This demonstration delivered meals to children's homes (or central locations) in rural areas where traditional SFSP sites were not available.

2. *Food Backpack Demonstration Project:* This demonstration provided backpacks to children who participated in a traditional SFSP site. The packs had meals to cover periods, such as weekends and holidays, when the SFSP site was closed. The Backpacks were not intended to replace congregate meal programs or reduce the number of days congregate meal programs operated.

Total Projected Cost:	$1,475,315
Amount Spent to Date:	$1,475,315
Start Date:	December 2010
Completion Date:	October 2014
Name of Contractor:	Westat
Congressional Mandate:	Yes - The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80)

Evaluation of the Summer Food Service Program Enhancement Demonstrations (Wave III)

Authorized under the 2010 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act (P.L. 111-80, 749(g)), the Summer Food for Children demonstration projects were initiated by the USDA's FNS to develop and test innovative approaches to boost participation in the summer feeding programs and to close the summer hunger gap. Two of these innovations included the distribution of backpacks containing meals for consumption on days SFSP sites are not open, and the delivery of meals to children in rural areas that could not otherwise gain access to a SFSP site. The purpose of this procurement is to facilitate the evaluation of the 2012 Backpack and Meal Delivery demonstrations by analyzing administrative data.

Total Projected Cost:	$330,925
Amount Spent to Date:	$330,925
Start Date:	April 2013
Completion Date:	October 2014
Name of Contractor:	Insight Policy Research
Congressional Mandate:	Yes

Evaluation of the Impact of the Electronic Benefit Transfer for Children (SEBTC) Demonstrations

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80) provided funds and authority for FNS to conduct and rigorously evaluate the Summer Electronic Benefit Transfer for Children (SEBTC) demonstrations that provide food assistance to households with school-aged children during the summer. The benefits were delivered through the electronic benefit transfer (EBT) procedures used by the SNAP and WIC programs. The evaluation of SEBTC has three broad objectives: (1) to examine the impact of SEBTC on the prevalence of very low food security and other measures of food security among children, their nutritional status, household food expenditures, and household participation in nutrition assistance programs, (2) to describe receipt and use of the benefits, and (3) to examine the feasibility of implementing the SEBTC, and to document its costs, the approaches used, and the challenges and lessons learned during the demonstrations. SEBTC was extended into the summer of 2013 to determine if similar outcomes can be obtained at half the benefit level. (SEBTC has also

been extended into summer 2014 to determine participation and redemption rates in the absence of an impact evaluation data collection.)

Total Projected Cost:	$37,431,576
Amount Spent to Date:	$35,055,420
Start Date:	December 2010
Completion Date:	July 2015
Name of Contractor:	Abt Associates
Congressional Mandate:	Yes - The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2010 (P.L. 111-80)

Summer Food Service Program (SFSP) Provider and Participant Characteristics

In 2003, the USDA Economic Research Service (ERS) sponsored a Mathematica Policy Research (MPR) report that evaluated SFSP operations at the State, sponsor, and site levels and examined factors affecting participation by sponsors and children. The analyses and findings of this new study are intended to replicate and update the 2003 ERS study in describing the current operations of the SFSP, and will examine major reasons for participation or non-participation in the program.

Total Projected Cost:	$1,262,899
Amount Spent to Date:	$382,101
Start Date:	August 2013
Completion Date:	September 2016
Name of Contractor:	Optimal Solutions Group
Congressional Mandate:	No

Child Nutrition Analysis and Modeling (CNAM) Quick Response Analysis Support

This project provides contractor support in preparing quick-turnaround analyses of existing public and FNS program datasets. These analyses are limited to cross tabulations of pre-defined dataset elements, although some requests may require additional data manipulation. FNS uses this quick turnaround capability to support ongoing evaluation of FNS Special Nutrition Programs. These programs include the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, the Summer Food Service Program, and several smaller nutrition assistance and food distribution programs.

Total Projected Cost:	$50,000
Amount Spent to Date:	$0
Start Date:	October 2014
Completion Date:	September 2015
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	No

Food Distribution Programs

Cost Dynamics of USDA Foods Usage in School Meals

The value of USDA Foods to school districts includes any State charges or fees for warehousing and distribution of USDA Foods as well as any costs associated with the processing of USDA Foods into more useable products. It includes an examination of how USDA Foods impact school meal program costs. USDA Foods add value for School Food Authorities because they are less expensive than market-priced resources. However, because they must undergo transportation and

processing, they may not yield a net cost savings relative to local procurement. This study will examine the true value (cost or savings) of USDA Foods to SFAs, and how this varies based on factors such as State policies, school district size, meal participation rates, urbanicity/rurality, participation in buying cooperatives and State of origin of the food item.

Total Projected Cost:	$ 1,584,302
Amount Spent to Date:	$0
Start Date:	October 2014
Completion Date:	October 2017
Name of Contractor:	Agralytica

USDA Foods Healthy Eating Index Update

In January 2012, FNS released a comprehensive nutrient analysis of USDA Foods used in NSLP, CACFP, CSFP, FDPIR, and TEFAP. The report analyzed the nutritional content of USDA Foods provided to individuals who participate in the FNS programs. The purpose of this project is to update the nutrient analysis of USDA foods offered and delivered to States for use in these five USDA nutrition assistance programs. USDA foods offered, as well as delivered to a reference participant in the select program will be analyzed and compared with five dietary standards: Dietary Reference Intake, USDA's Thrifty Food Plan, the USDA Food Pattern recommendations from the Dietary Guidelines for Americans, the Healthy Eating Index 2005, and the Healthy Eating Index 2010.

Total Projected Cost:	$ 267,463
Amount Spent to Date:	$0
Start Date:	September 2014
Completion Date:	October 2015
Name of Contractor:	Westat
Congressional Mandate:	No

Study of Food Distribution Program on Indian Reservations

The objectives of this study are to provide current information on the characteristics of FDPIR participants and local program administration across the nation. This study is designed to gain a better understanding of FDPIR participation trends, and provide FNS with information necessary to continue improvements in the program. Benefits of the study for FNS and Tribes include identifying the needs of participants and ways to make the program more beneficial to them. A nationally representative sample of tribes has been determined and all the sample tribes have participated in formal consultations regarding the study. FDPIR participant interviews are underway in most tribes while recruitment efforts continue in the remaining tribes.

Total Projected Cost:	$2,271,851
Amount Spent to Date:	$484,403
Start Date:	September 2011
Completion Date:	October 2015
Name of Contractor:	The Urban Institute

FDPIR Regional Vendor Pilot Evaluation

This operational pilot began to collect administrative data earlier this year. This project will analyze the data to examine whether the new distribution method produced cost savings over the regular model.

Total Projected Cost:	$175,431
Amount Spent to Date:	$0

Start Date:	September 2014
Completion Date:	September 2015
Name of Contractor:	Manhattan Strategy Group
Congressional Mandate:	No

Completed Studies

All reports can be downloaded at http://www.fns.usda.gov/research-and-analysis

Supplemental Nutrition Assistance Program

Evaluation of Reaching the Underserved Elderly and Working Poor in SNAP Pilot Grants

This project evaluated six demonstration projects that focus on increasing SNAP access to either the working poor or the elderly. The study used a double-difference design, examining changes in caseloads during the demonstrations compared to before and after the demonstration projects and compared to control sites. It also examined the impact of the pilots on program costs.

Total Projected Cost:	$1,619,104
Amount Spent to Date:	$1,587,599
Start Date:	September 2009
Completion Date:	November 2013
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	No

Impact of Implementation of the Affordable Care Act (ACA) on SNAP Operations and Participation

The Patient Protection and Affordable Care Act (ACA) will be implemented by States at the end of 2013, with new eligibility guidelines taking effect on January 1, 2014. Many of the newly eligible may already be participating in SNAP. Likewise, some new Medicaid applicants may be eligible but not already participating in SNAP. States have vastly different levels of integration in their management of Medicaid and SNAP, ranging from little connection to use of the same caseworkers to process applications for both programs. This study will examine, using case studies from six States, how the implementation of ACA and the newly streamlined Medicaid eligibility and enrollment systems will affect SNAP enrollment and participation, as well as identify any opportunities for coordinating SNAP and Medicaid enrollment processes.

Total Projected Cost:	$190,488
Amount Spent to Date:	$190,488
Start Date:	September 2012
Completion Date:	April 2014 (Terminated)
Name of Contractor:	The Urban Institute
Congressional Mandate:	No

Study of Organizations Providing or Administering SNAP Incentives at Farmers Markets

In recent years, a wide variety of incentive programs that allow SNAP participants to receive additional purchasing power for fruits and vegetables at local farmers' markets have been launched or expanded significantly as a means of increasing access to and consumption of local fresh produce. Generally, the incentives are funded by private donations and are administered

by non-profit organizations. This study examines how these organizations function, concentrating on the processes they use to make decisions about funding individual markets and what secondary goals they have related to local agriculture. The study consists of interviews with representatives of organizations involved in incentive programs and review of their internal evaluation data.

Total Projected Cost:	$495,970
Amount Spent to Date:	$495,957
Start Date:	September 2011
Completion Date:	December 2013
Name of Contractor:	Westat
Congressional Mandate:	No

Healthy Incentives Pilot (HIP) Evaluation

This project is evaluating the impacts of Healthy Incentives Pilot (HIP) on the consumption of fruits and vegetables among participants in the Supplemental Nutrition Assistance Program (SNAP). Pilot test participants, in Hamden County, Massachusetts, earned financial incentives at the point-of-sale for fruits and vegetables purchased with SNAP benefits. The pilot operated from November 2011 - December 2012. The evaluation utilized random assignment of SNAP participants to treatment and control groups and a rigorous 24-hour dietary recall interview methodology for collecting dietary intake data. Data were also collected from SNAP retailers, MA Department of Transitional Assistance staff, and community partners to (1) describe the process of implementing HIP; (2) assess outcomes for State and local SNAP staff, their community partners, and SNAP retailers; and (3) determine costs associated with pilot and any potential expansion.

Total Projected Cost:	$10,129,726
Amount Spent to Date:	$7,215,886
Start Date:	July 2010
Completion Date:	February 2014
Name of Contractor:	Abt Associates, Inc.
Congressional Mandate:	Yes, 2008 Farm Bill

The Extent of Trafficking in the Supplemental Nutrition Assistance Program: 2009-2011

This study is the sixth in a series of periodic analyses that estimate the extent of trafficking in the SNAP program. It will produce estimates of the proportion of benefits trafficked, the amount of benefits trafficked, and the proportion of retailers involved in trafficking. In addition, it includes an expert panel that will examine new methods for calculating estimates of trafficking and a feasibility paper for creating State level estimates.

Total Projected Cost:	$ 282,583
Amount Spent to Date:	$ 282,583
Start Date:	September 2012
Completion Date:	December 2013
Name of Contractor:	ICF International
Congressional Mandate:	No

Incentivizing Healthy Choices

The primary aims of this project are to: 1. develop a plan for how Front of Pack (FOP) and shelf labeling systems could be applied to identify healthy

choices across all food categories (processed, unprocessed, packaged, bulk etc.) and could be used as a basis for incentivizing healthy choices for SNAP participants; 2. provide approaches for incentivizing healthy choices by SNAP participants. The feasibility and the mechanism for implementing each approach including the need for any adjunct interventions must be considered along with the approach's potential for promoting long-term behavior change; 3. To compile a final report that provides a road map for plan implementation and study designs for field testing the two most promising approaches of the six proposed.

Total Projected Cost:	$401,406
Amount Spent to Date:	$345,502
Start Date:	September 2012
Completion Date:	April 2014
Name of Contractor:	ICF Macro
Congressional Mandate:	No

Uniform Coding of Food Data Feasibility Study

The objective of this study is to develop a food categorization and reference system capacity which would allow FNS staff to classify food data from multiple sources and integrate it with information from existing databases (such as the Food and Nutrient Database for Dietary Studies-FNDDS for example.) The result should include flexible hierarchical data coding structures which allow users to examine, link or aggregate food purchase data for use in further analysis.

Total Projected Cost:	$452,543
Amount Spent to Date:	$452,543
Start Date:	September 2012
Completion Date:	March 2014
Name of Contractor:	Empower IT, Inc.
Congressional Mandate:	No

Feasibility of Improved Estimates of Trafficking

This analysis sought to determine whether it would be feasible to calculate estimates of retailer-level SNAP benefit trafficking using a random sample of in store investigations. The study involved interviews with staff from the SNAP Retailer Policy and Management and the Retailer Operations Division to understand the compliance investigation process. The contractor then used data regarding the number of SNAP authorized retailers, federal pay and benefit data, and experience as federal contractors to determine if the methodology was feasible and how much it would cost.

Total Projected Cost:	$229,957
Amount Spent to Date:	$229,597
Start Date:	September 2013
Completion Date:	June 2014
Name of Contractor:	Insight Policy Research
Congressional Mandate:	No

WIC

WIC Participant and Program Characteristics - 2012

Data for this project has been generated from WIC State management information systems biennially since 1992, based on a near census of WIC participants as they are enrolled in the program. The project's report summarizes demographic characteristics of WIC participants nationwide in April 2012, along with

information on participant income and nutrition risk characteristics. The report also describes WIC members of migrant farm-worker families. A national estimate of breastfeeding initiation for WIC infants is included. This project delivered a data set covering the food packages issued to most WIC participants for use in projections of program cost and other market impacts.

Total Projected Cost:	$1,045,996
Amount Spent to Date:	$1,031,589
Start Date:	July 2011
Completion Date:	December 2013
Name of Contractor:	Insight Policy Research, Inc.
Congressional Mandate:	No

WIC Vendor Management Study-2

The purpose of this study was to examine the management of WIC retail delivery systems and determine the extent to which WIC-authorized retail grocers (WIC vendors) adhere to program rules. This study will provide updated estimates of WIC vendor overcharging and undercharging based on a nationally representative sample of covert compliance buys using WIC food instruments. The results are being used for reporting under the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

Total Projected Cost:	$3,052,557
Amount Spent to Date:	$3,052,557
Start Date:	August 2011
Completion Date:	November 2013
Name of Contractor:	Altarum
Congressional Mandate:	No

National and State-level Estimates of WIC Eligibles and WIC Program Reach, 2011 Update

This study updated the estimates of the WIC-eligible population for the U.S., for each of the 7 FNS regions, and for each of the 50 States, the District of Columbia, and five U.S. territories: the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. Estimates included breakdowns of each of the eight participant subgroups: pregnant women, infants, children at each year of age (ages 1, 2, 3, and 4), breastfeeding women, and postpartum non-breastfeeding women. These estimates were used to help allocate funding in the WIC funding formula and to track the national WIC coverage rate.

Total Projected Cost:	$65,309
Amount Spent to Date:	$65,309
Start Date:	October 2012
Completion Date:	March 2014
Name of Contractor:	Urban Institute
Congressional Mandate:	No

Child Nutrition Programs

Regional Office Review of Applications 2013 (RORA)

The annual RORA study examines the administrative accuracy of eligibility determinations and benefit issuance for free or reduced-price meals in the

National School Lunch Program. The study addresses the following research questions: (1) Based on the information provided on applications, did the local educational agencies (LEAs) accurately determine household size and gross monthly income? What types of administrative errors were made? (2) Based on the information provided on applications, did the LEAs make the correct meal price status determination during certification? What types of administrative errors were made? (3) Based on the documentation on file, were students receiving the correct meal benefits? (4) Has the accuracy of LEA certification and benefit status determinations changed over time?

Total Projected Cost:	$107,458
Amount Spent to Date:	$107,458
Start Date:	September 2013
Completion Date:	September 2014
Name of Contractor:	Westat
Congressional Mandate:	No

Direct Certification Report to Congress SY 2012-2013

This study responded to the legislative requirement of Public Law 110-246 to assess the effectiveness of State and local efforts to directly certify children for free school meals. Under direct certification, children are determined eligible for free school meals without the need for household applications by using data from other means-tested programs. The 2004 Child Nutrition and WIC Reauthorization Act required local educational agencies (LEAs) to establish a system of direct certification of children from households that receive Supplemental Nutrition Assistance Program (SNAP) benefits by School Year (SY) 2008-2009.

Total Projected Cost:	$131,732
Amount Spent to Date:	$131,732
Start Date:	May 2012
Completion Date:	October 2013
Name of Contractor:	Mathematica Policy Research
Congressional Mandate:	Yes - Public Law 110-246

Evaluation of the NSLP Community Eligibility Option

This study will examine the number of schools and local education agencies (LEAs) that are eligible to receive special assistance payments under the Community Eligibility Option (CEO), and describes various attributes of those eligible schools and LEAs that elect or do not elect this option. The study will also examine the impact of electing the CEO on program integrity, availability and type of breakfast program, nutritional quality of school meals, and program participation.

Total Projected Cost:	$4,743,782
Amount Spent to Date:	$4,534,116
Start Date:	September 2011
Completion Date:	July 2014
Name of Contractor:	Abt Associates, Inc.
Congressional Mandate:	Yes - P.L. 111-296 Sec. 104

School Foodservice Indirect Cost Study

This nationally-representative study will assess the extent to which school food authorities (SFAs) participating in the National School Lunch Program and School Breakfast Program pay indirect costs, including assessments of the

methodologies used to establish indirect costs, the types and amounts of indirect costs that are charged and not charged to the school foodservice account, and the types and amounts of indirect costs recovered by school districts.

Total Projected Cost:	$1,777,272
Amount Spent to Date:	$1,777,267
Start Date:	August 2011
Completion Date:	March 2014
Name of Contractor:	Abt Associates, Inc.
Congressional Mandate:	Yes - P.L. 111-296 Sec. 307

CACFP Program Assessment of Sponsor Tiering Determination 2011, 2012, and 2013

The Improper Payments Information Act of 2002 (Act) (P.L. 107-300) requires the Department of Agriculture (USDA) to identify and reduce erroneous over- and under-payments in various programs, including the Child and Adult Care Food Program (CACFP). CACFP makes nutritious meals and snacks available each day to children and adults who are enrolled in participating child-care centers, day-care homes, and adult day-care centers. The objective of the current project is to develop an estimate of the extent to which sponsors' misclassify family child day-care homes (FDCHs) as Tier I or Tier II for program reimbursement of meal claims, a key requirement of FNS' overall plan to assess and reduce erroneous payments. The costs associated with misclassification, and change in the rate and cost over time, are also determined.

Total Projected Cost:	$1,002,090
Amount Spent to Date:	$ 955,755
Start Date:	April 2011
Completion Date:	May 2014
Name of Contractor:	Westat, Inc.
Congressional Mandate:	Yes

Child and Adult Care Food Program (CACFP) Improper Payments Meal Claims Assessment 2010

The Improper Payments Elimination and Recovery Act of 2010 (IPERA)requires all Federal agencies to calculate the amount of improper payments in Federal programs and to periodically conduct detailed assessments of vulnerable program components. This study of the family day care home (FDCH) component of the Child and Adult Care Family Program (CACFP) is designed to develop estimates of the rate and cost of meals in 2010 claimed by FDCHs and reimbursed in error. The sampling, data collection, analysis and reporting plans are designed to conduct a feasibility analysis of the research methodology using a nationally distributed subsample of sponsors, FDCH providers and parents.

Total Projected Cost:	$898,371
Amount Spent to Date:	$894,584
Start Date:	June 2010
Completion Date:	November 2013 *
Name of Contractor:	ICF Macro International, Inc
Congressional Mandate:	Yes

Food Distribution

State of Origin for USDA Foods in Fiscal Year 2012

The Food and Nutrition Service (FNS) Food Distribution Programs provide food and nutrition assistance to school children and families and support American agriculture by distributing high quality, 100 percent American-grown USDA Foods. This report analyzes State of origin data for Fiscal Year (FY) 2012, which captures the State where USDA purchased USDA Foods during FY 2012. In FY 2012, USDA purchased over 2 billion pounds of food, worth nearly $2 billion. Purchased USDA Foods included both raw food products such as meats, vegetables, and fruits, as well as finished food products like cereal, crackers, and pasta.

Total Projected Cost:	0.5 FTE
Amount Spent to Date:	0.5 FTE
Start Date:	January 2014
Completion Date:	March 2014
Name of Contractor:	In-house
Congressional Mandate:	No

Center for Nutrition Policy and Promotion Studies and Evaluations

Ongoing Studies

Update of the Thrifty Food Plan (TFP)

The CNPP is responsible for the development of the USDA food plans, including the Thrifty Food Plan (TFP) that serves as the nutritional basis for SNAP (Supplemental Nutrition Assistance Program) allotment levels. The TFP specifies quantities of different types of food that households may purchase to provide nutritious meals and snacks at relatively low cost. The CNPP is updating the 2006 TFP to reflect current dietary guidance as indicated in the 2010 *Dietary Guidelines for Americans*. The CNPP is undergoing reviews of the market baskets of the TFP. These "market baskets" consist of the foods with which a low-cost nutritious menu can be prepared. Release of the revised TFP is still in the planning stage.

Total Projected Cost:	4.0 FTE
Amount Spent to Date:	4.0 FTE
Start Date:	Fall 2008
Completion Date:	2014
Name of Contractor:	In-house
Congressional Mandate:	No

Cost Adjustments to the Thrifty Food Plan

The Food Stamp Act of 1997 (7 USC 2011 *et seq.*) requires USDA to adjust, on a regular basis, the cost of the TFP to reflect changes in the cost of this plan. The economist and other staff members at the CNPP fulfill this congressional mandate by incorporating relevant monthly food price changes from the Consumer Price Index into the TFP and the other three higher cost food plans (Low-cost, Moderate-cost, and Liberal). The CNPP publishes and disseminates, on a monthly basis, the cost of food at home. The monthly plans are posted at www.cnpp.usda.gov.

Total Projected Cost:	0.2 FTE per year
Amount Spent to Date:	0.2 FTE for FY 2014
Start Date:	1975 (or earlier)
Completion Date:	On-going
Congressional Mandate:	Yes (7 USC 2011 *et seq.*)

Healthy Eating Index

The CNPP released the Healthy Eating Index (HEI), an aggregate measure of the degree to which the American diet conforms to the *Dietary Guidelines for Americans*. Conducting this study/evaluation of the American diet derives from Public Law 101-445—the National Nutrition Monitoring and Related Research Act, which directs the USDA and the Department of Health and Human Services to "improve the methodologies and technologies, including those suitable for use by States and localities, available for the assessment of nutritional and dietary status and trends." The law, as well, directs the two Departments to "develop uniform standards and indicators for the assessment and monitoring of nutritional and dietary status, for relating food consumption patterns to nutritional and health status, and for use in the evaluation of Federal food and nutrition intervention programs."

The CNPP updated the HEI to reflect the guidance in the 2010 *Dietary Guidelines for Americans.* The HEI-2010 was released in 2013. The report, *Diet Quality of Americans in 2001-02 and 2007-08 as Measured by the Healthy Eating Index-2010,* is posted at www.cnpp.usda.gov. The diet quality report on children, Diet Quality of Children Age 2-17 Years as Measured by the Healthy Eating Index-2010 is posted at www.cnpp.usda.gov. and in the **America's Children At a Glance 2014: Key National Indicators of Well-Being report at** www.childstats.gov.

Total Projected Cost:	2.5 FTE per year
Amount Spent to Date:	2.5 FTE per year
Start Date:	Fall 2008 (current revision)
Completion Date:	On-going; Release of revision: 2013
Name of Contractor:	In-house
Congressional Mandate:	No

Expenditures on Children by Families

Since 1960, the USDA has provided annual figures of expenditures on children by families, also referred to as the "cost of raising children" project. These annual figures are the only economic data that are provided by the Federal Government on the cost of raising children. Child-rearing costs are used to set State child support guidelines. The Family Support Act of 1988 requires States to implement child support guidelines and to review the guidelines every 4 years. The Act also requires States to consider economic data on the cost of raising children when determining these guidelines. The CNPP plans to continue to issue annual updates of family expenditures on children. The CNPP released the latest version of Expenditures on Children by Families in August 2014.

Total Projected Cost:	0.5 FTE per year
Amount Spent to Date:	0.5 FTE per year
Start Date:	1960
Completion Date:	On-going
Name of Contractor:	In-house
Congressional Mandate:	No

Nutrient Content of the U.S. Food supply

The CNPP released the Nutrient Content of the U.S. Food Supply, 1909-2010. This update presents historical data on the Nutrient Content of the U.S. Food Supply on the amounts of nutrients per capita per day in food available for consumption and percentage contributions of nutrients by major food groups. The data presented in these tables are invaluable for monitoring the potential of

the food supply to meet nutritional needs; for examining relationships between food supply nutrients and health; and for examining dietary trends of Americans. Additionally, food supply nutrient estimates reflect Federal enrichment and fortification standards and technological advances in the food industry and contribute to the Federal dietary guidance system. As such, these data are of interest to agricultural policymakers, economists, nutrition researchers, and nutrition and public health educators.

The CNPP updated Nutrient Content of the U.S. Food Supply; 1909-2010 is posted at www.cnpp.usda.gov/USFoodSupply-1909-2010

Total Projected Cost:	1.0 FTE per year
Amount Spent to Date:	1.0 FTE per year
Start Date:	Summer 2013 (current revision)
Completion Date:	On-going; Release of revision:May,2014
Name of Contractor:	In-house
Congressional Mandate:	No

Dietary Guidelines for Americans, 2015

The Dietary Guidelines for Americans (DGA) provides sound advice for making food and physical activity choices that promote good health, a healthy weight, and help prevent disease for Americans ages 2 years and over, including Americans at increased risk of chronic disease. The DGA form the basis of Federal nutrition policy, education, outreach, and food assistance programs used by consumers, industry, nutrition educators, and health professionals. The DGA is congressionally mandated under the 1990 National Nutrition Monitoring and Related Research Act (Public Law 101-445, Section 301[7 U.S.C. 5341], Title III). The DGA is required to be based on the preponderance of current scientific and medical knowledge and to be released by the Secretaries of USDA and HHS every five years. In addition to managing the DGA revision process, CNPP's Nutrition Evidence Library (NEL) conducts systematic reviews to answer important food and nutrition questions to help inform the DGA.

Total Projected Cost:	8.0 FTE per year (HHS is administrative lead for the 2015 edition and is handling administrative costs)
Amount Spent to Date:	5.0 FTE per year
Start Date:	February 2013
Completion Date:	December 2015
Name of Contractor:	None (In-house)
Congressional Mandate:	Yes

Birth to 24 Months Guidance Development Project

The Agricultural Act of 2014 officially called for the *Dietary Guidelines for Americans* to expand to include infants and toddlers (from birth to age 2), as well as women who are pregnant, beginning with the 2020 edition. CNPP, in collaboration with representatives from HHS, have initiated a joint project to develop comprehensive, evidence-based dietary guidance for infants and toddlers from birth to 24 months of age, and pregnant women. In addition to managing this guidance development project, CNPP's Nutrition Evidence Library (NEL) conducts systematic reviews to answer important food and nutrition questions to help inform this process.

Total Projected Cost:	2.0 FTE per year
Amount Spent to Date:	2.0 FTE for FY 2014
Start Date:	October 2012

Completion Date:	January 2018
Name of Contractor:	None (In-house)
Congressional Mandate:	Yes

Completed Studies

The USDA Nutrition Evidence Library (NEL) was created within the Center for Nutrition Policy and Promotion to conduct systematic reviews to answer important food and nutrition questions to inform Federal nutrition policy, guidance, and programs, such as the *Dietary Guidelines* and basis for nutrition assistance programs. The NEL provides USDA with a transparent database of systematic reviews (www.nel.gov) reflecting the most current research available on a wide range of food and nutrition-related topics, and ensures compliance with the Consolidated Appropriations Act of 2001 (Data Quality Act).

Evidence Reviews to Examine the Relationship of Dietary Patterns to Health Outcomes

The Nutrition Evidence Library (NEL) completed a series of systematic reviews examining the relationship between dietary patterns and outcomes of public health concern. This project was developed to complete the work initiated by the 2010 Dietary Guidelines Advisory Committee. This topic was also identified by Federal stakeholders from USDA and HHS as an important topic that would benefit from systematic review. The reviews may be used to inform future food and nutrition policies and programs, including the *Dietary Guidelines for Americans*. Dietary patterns are also considered in other USDA programs including SNAP, WIC, federal school meals programs, and Child and Adult Care Food Programs. Dietary patterns are also the basis for the Liberal Food Plan, which is used to set the military food allowance (known as the Basic Allowance for Subsistence BAS).

Total Project Cost:	\$36,600 + 3 FTEs
Amount Spent to Date:	\$36,600 + 3 FTEs
Start Date:	October 2011
Completion Date:	April 2014
Name of Contractors:	Academy of Nutrition and Dietetics USDA National Agricultural Library
Congressional Mandate:	Yes - Study supports development of mandated *Dietary Guidelines*

Mr. Aderholt: Provide a list of all studies and evaluations that are planned for fiscal years 2013, 2014, and 2015. Indicate which year they are planned to start and the estimated cost for each.

Response: The FNS Research and Evaluation Plans for fiscal years 2013 and 2014 are attached. Projects that have already launched are further described in response to other questions. Those that are not will be funded through a competitive procurement process. The plan does not display cost estimates in order to protect the competitive procurement process.

Study and evaluation plans for fiscal year 2015 will be based on both internal review of FNS needs and priorities, and solicitation of ideas from a wide variety of external sources familiar with the programs. The President's Budget request includes continued funding to support a range of important program assessment activities, including focused studies of program operations, development of comprehensive measures of program performance to inform and foster outcome-based planning and management, and technical assistance to

States and communities for practical demonstrations of potential policy and program improvements.

These activities provide the crucial foundation for strategic planning and program innovation needed to respond to emerging issues and problems and support effective stewardship of the taxpayer investment in nutrition assistance.

The studies and evaluation planned by Center for Nutrition Policy and Promotion are described below:

Consumer Research on Healthy Eating, 2015 Dietary Guidelines Communication
In preparation for the release of the *Dietary Guidelines for Americans, 2015*, CNPP is conducting qualitative and quantitative consumer research to inform development of a comprehensive consumer outreach campaign and supporting materials. The research, which includes use of interactive technologies, will incorporate change modeling and the range of factors that impact food choices and eating behavior; assess where consumers currently are in terms of the eating choices they make and their understanding of healthy eating guidance; test message concepts that translate the technical Dietary Guidelines into consumer-friendly, actionable guidance; and yield survey content that can be used via pulse surveys to assess changes over time.
Total Projected Cost: $993,000.
Amount Spent to Date:
Start Date: September 30, 2014
Completion Date: September 29, 2015
Name of Contractor: EurekaFacts LLC
Congressional Mandate:No

[The information follows:]

FOOD AND NUTRITION SERVICE

RESEARCH AND EVALUATION PLAN - FISCAL YEAR 2013

NOVEMBER 28, 2012

STRATEGIC GOAL: ALL OF AMERICA'S CHILDREN HAVE ACCESS TO SAFE, NUTRITIOUS, AND BALANCED MEALS

ALL OF AMERICA'S CHILDREN HAVE ACCESS TO SAFE, NUTRITIOUS AND BALANCED MEALS

Improve Program Access and Reduce Hunger

Demonstrations to End Childhood Hunger and Food Insecurity
The Healthy, Hunger-Free Kids Act of 2010 (Section 141) authorizes a program of demonstrations to test innovative strategies - including alternative models for service delivery and benefit levels - to end child hunger and food insecurity. Projects may include enhanced SNAP benefits for eligible households with children; enhanced benefits or innovative program delivery models in school meals, afterschool snacks programs, and CACFP; and targeted Federal, State or local assistance, including emergency housing or family preservation services, for households with children who are experiencing food insecurity. USDA is required to conduct an independent evaluation of each demonstration project using rigorous experimental design and methodologies to measure the impact on participation, food security, nutrition, and associated behavioral outcomes and share results broadly to inform policy makers, service providers, other partners, and the public to promote wide use of successful strategies. The funding becomes available on October 1, 2012, and remains available for five years.

Research on Causes, Characteristics, and Consequences of Childhood Hunger and Food Insecurity
The Healthy, Hunger-Free Kids Act of 2010 (Section 141) authorizes a new research program on the causes, characteristics, and consequences of childhood hunger and food insecurity, with a particular focus on efforts to improve the knowledge base regarding contributing factors, geographic distribution, programmatic effectiveness, public health and medical costs, and consequences for child development, well-being, and educational attainment. The funding becomes available on October 1, 2012, and remains available until expended. Because of the breadth and complexity of the research mandate in the Act, FNS will seek input from a wide group of stakeholders to help focus on areas and methods with the greatest research potential.

Characteristics of Summer Food Service Participants and Programs
The Summer Food Service Program (SFSP) serves only a small percentage of the children who receive free and reduced price meals through the National School Lunch Program during the school year. This study would provide greater insight into who offers and who uses SFSP meals. The study would update data last collected in the summers of 2003 and 2004. It would explore families' SFSP participation decision, help identify gaps in service, and ultimately shed more light on potential reasons for the low participation rate. With this understanding, FNS can refine the program to reach more children more effectively.

Characteristics of Child and Adult Care Food Program Providers
This study would deepen FNS's understanding of CACFP provider characteristics. It would examine the type and size of providing institutions and homes, characteristics of participants served; types, amounts, and range of reimbursements; and other key characteristics. The study would inform policy about CACFP, ensuring it is able to reach its goals most efficiently, and provide a base for future research.

Dynamics of SNAP Participation
This study will update information on the duration of SNAP participation spells and the factors associated with entry, exit, and re-entry. FNS has released a series of studies examining individuals' patterns of participation in SNAP showing, for example, that half of all new participants left the program within 10 months during mid 2000's. This project will use data from the 2009 longitudinal panel of the Survey of Income and Program Participation to update these analyses for the period of rising caseloads between 2009 and 2011.

Disability, Chronic Health Problems and Household Food Security
This collaboration with the Economic Research Service (ERS) has two components. First, it provides continued support to include a 10-item adult food security survey module in the National Health Interview Survey (NHIS). NHIS provides a rich source of nationally representative data to examine the links between food insecurity, health, and disability among all household members, including children. Second, it provides new support for a collaborative research project (with researchers at UCLA and ERS) to estimate the effects of disabilities and long-term health problems on household food insecurity, and the effects of food insecurity on the health and disease of household members. The project will also seek to answer how food insecurity affects short-term health outcomes.

Impact of the Affordable Care Act on WIC
The Affordable Care Act (ACA) will expand eligibility for the Medicaid program, and require all Americans to obtain health insurance. Some estimate that as many as 14 million people could become newly eligible for Medicaid. With this many people entering the social services system, possibly for the first time, some may learn about and decide to apply for other means-tested programs, including WIC. Moreover, the pace of program entries and exits - churning - may have consequences for WIC administration. This white paper would examine the potential impact of ACA on WIC enrollment.

Direct Certification in the National School Lunch Program: Report to Congress
Under direct certification, children are determined eligible for free school meals without the need for household applications by using data from other means-tested programs. The law requires local educational agencies to conduct direct certification for children from households that receive SNAP benefits, as well as annual reporting to Congress on the effectiveness of State and local efforts to directly certify children for free school meals. This project will analyze nutrition assistance program administrative data, compile information on best practices, and prepare the annual report to Congress for SY 2012-13.

Improve Nutrition and Reduce Obesity

Study on Nutrition and Wellness Quality of Child Care Settings
The Healthy Hunger-Free Kids Act of 2010 (Section 223) directs USDA to conduct a nationally representative study of child care providers to assess the nutritional quality of foods provided in child care settings, opportunities for physical activity, and facilitators and barriers to providing healthy foods and physical activity and participation in CACFP.

Child Care Dietary Assessment
Contemplated as an adjunct and extension of the congressionally mandated study on nutrition and wellness quality in child care settings, this project would examine the dietary intakes of a nationally representative sample of children in child care centers, including Head Start sites. (Additional funds would be required to extend the project to children in family day care homes.)

Putting Behavioral Economics to Work in School Cafeterias
These funds support a multi-year, integrated research program, launched in FY 2010 in collaboration with the Economic Research Service and the National Institute for Food and Agriculture, to develop, test, and promote applications of behavioral economic theory in the school nutrition environment. The goal is to identify, develop, and document evidence-based strategies, tools, and techniques that schools can use to shape their environments to support and encourage healthful food choices and behaviors. This year's focus will be on finding and promoting practices that illuminate the causes and reduce the volume of plate waste in schools. In particular, research will emphasize actionable factors within the school food environment - including, for example, the timing and duration of lunch periods, the timing of recess before or after lunch, the number of serving lines, the availability of grab-and-go options, and the preparation and presentation of food items - that may affect the amount of plate waste.

Support for National Health and Nutrition Examination Survey
The Agricultural Research Service (ARS) leads data collection and processing for *What We Eat in America,* the dietary intake component of the National Health and Nutrition Examination Survey (NHANES). These funds will provide partial support to ARS for the collection and processing of a second day of 24-hour dietary intake recalls for the 2013-2014 data collection cycle. Two days of dietary recalls are necessary to estimate patterns of usual intakes. FNS uses NHANES data to provide a comprehensive picture of the dietary intakes and food choices of nutrition assistance program participants.

Specifications for Scientific Review of WIC Food Package
The Healthy Hunger Free Kids Act (Section 232) requires a review of the WIC food package at least every ten years to ensure that it conforms to current nutrition science, public health concerns, and cultural eating patterns. The most recent scientific review concluded in April 2005. This project would initiate the process by (1) drafting specifications for the next scientific review, including a timetable that would allow for consideration of the 2015 *Dietary Guidelines for Americans* and the results of the FNS-sponsored *WIC Infant and Toddler Feeding Practices Study* (expected in late 2016) and (2) provide logistical support for two one-day workshops to take place in 2014. We anticipate that one workshop would be held in the East, the other in the West, with an opportunity provided for the public to submit on-line comments.

Food and Nutrition Information Center
Funds will support the Food and Nutrition Information Center within the National Agricultural Library (NAL) to systematically store and disseminate information on USDA nutrition assistance programs, nutrition education and related nutrition topics.

Improve Program Integrity and Reduce Improper Payments

Child and Adult Care Food Program Meal Cost Study
A recent expert panel commissioned by FNS to recommend new CACFP meal requirements aligned with the Dietary Guidelines for Americans was hampered by the absence of current and comprehensive information on the cost of providing meals in child care centers and family day care homes. This study would provide basic information on the cost of producing a reimbursable meal under CACFP, based on a nationally representative sample of child care providers. The effort would be expected to inform future analyses of the potential cost of changes to the CACFP meal patterns.

WIC Vendor Risk Reduction Project
The Healthy, Hunger-Free Kids Act requires WIC to transition to EBT benefit delivery by 2020. The nature of vendor error, overcharging, and fraud under EBT is fundamentally different from these activities under the traditional paper WIC food instrument. This study will include exploration of effective methods of screening new vendor applicants, including assessment of competitive pricing and improved peer group structure and assignment. It will build upon ongoing studies of high-risk vendor identification and data analysis to identify possible patterns of fraud in EBT transaction data.

Child and Adult Care Food Program Tiering Error Measurements
The Improper Payments Information Act of 2002 (IPIA) requires agencies to produce annual measures of erroneous payments in Federal programs subject to risk. For CACFP, FNS has met this requirement through studies of errors child care sponsoring organizations make when assigning family day care home providers to higher or lower reimbursement tiers. This item provides funding for the 2013 annual measure.

Feasibility of Improved Estimates of Trafficking
The Office of the Inspector General has recommended that FNS explore the feasibility of using a nationwide random sample of retailers to develop the trafficking rate. The current estimation methodology is based on investigations and monitoring of a sample of stores most likely to traffic, adjusted to reflect the full population of redemptions at authorized stores. While this methodology makes maximum use of all available data and resources and offers a conservative and practical approach, it has known limitations. This study will determine and document the feasibility of using the redemption practices of a nationwide random sample of SNAP retailers for calculating a national trafficking rate.

WIC Vendor Error Estimates Aging
This project funds the annual aging of data on erroneous WIC vendor payments for reporting in the USDA Performance and Accountability Report (PAR). It helps fulfill the requirements of the Improper Payments Accountability Act of 2002. Data from a study of vendor payments in 2004-2005 are adjusted using administrative data reported by States and maintained in the Integrity Profile (TIP) database. The TIP database includes reports of findings from the required covert compliance purchases at WIC vendors conducted on an ongoing basis by State WIC agencies. Annual aging of the data from the 2004-2005 study will be needed until results from an ongoing study of vendor practices are available in late 2013.

OTHER SUPPORT FOR PROGRAM MANAGEMENT AND PERFORMANCE

SNAP Employment and Training Services

The objective of this study is to develop a national inventory of current E&T services (not limited to SNAP), including goals and policies, target audience and persons served, provider characteristics, partnerships, performance measures and available outcome data. The inventory would also capture links between SNAP E&T services and other work-related programs. To the extent available data permit, the project will describe the effect of E&T programs on long-term economic stability of SNAP participants.

Measuring Access, Trends and Impacts (Microsimulation)

This on-going project supports several key analytic tools and analyses to address program participation trends and impacts; generates annual reports on the characteristics, participation rates and patterns of SNAP participation; and supports the Agency's capacity to assess cost and distributional impacts of proposed changes to SNAP and other nutrition assistance programs.

WIC Participant and Program Characteristics 2014

This project summarizes information on participant income, nutrition risk, and demographic characteristics - including data on initiation of infant breastfeeding and migrant farm worker families - nationwide at a point in time. It delivers a data set covering the food packages issued for use in projections of program cost and other market impacts. Data for this project has been generated from State management information systems biennially since 1992, based on a near census of WIC participants as they are enrolled in the program.

School Nutrition Program Operations

In FY 2010, FNS awarded a contract for a multi-year panel study of selected operational aspects of the school nutrition programs. The project is designed to collect data from a nationally representative sample of about 1,500 school food authorities (SFAs) and all Child Nutrition State agencies. The surveys provide a cross-sectional snapshot of program characteristics, as well as longitudinal estimates of year-to-year changes in operations. The study will provide general descriptive information on the characteristics of the school-based Child Nutrition Programs necessary for the preparation of program budgets, data on various aspects of the program administration to inform program policy and regulations, as well as data to identify areas in need of technical assistance and training. It will also include an analysis of the impact on participation of Section 205 of the Healthy Hunger Free Kids Act, which requires schools to charge students for paid meals at a price that is on average equal to the difference between free meal reimbursement and paid meal reimbursement.

Simulation of Limited Medicaid Adjunctive Income Eligibility

This project is intended as a collaboration with one or more States to see what it would take to develop the capability to electronically query Medicaid information systems at the time of application for WIC benefits to see if the applicant is on Medicaid and has income below a selected threshold (such as 250% of poverty). It would determine the start-up and ongoing costs to use this system as a routine component of certification, *but is only exploratory and would not impact the WIC certification decision.* The information would better position WIC in case legislation at a later date requires an upper bound on Medicaid adjunctive income eligibility.

WIC Food Cost Estimation Improvements
This project would explore methods to improve national WIC food item price and average food cost estimates as the program transitions from paper-based to EBT food delivery systems. It would explore various alternatives, including working with the Bureau of Labor Statistics and the Economic Research Service to obtain actual prices on WIC-approved foods. The project would explore the addition of more detail in ongoing BLS and ERS data collections to include specific categories of WIC-approved foods to provide a clearer picture of the costs of the WIC food package, and how changes to it affect program costs.

Cooperative Food Purchasing for School Meals
In School Year 2009-10, almost half of all school districts in the 48 contiguous states and the District of Columbia participated in some form of cooperative buying with other districts. Many districts find such cooperative agreements to be useful means of reducing costs and improving food variety and quality; but many others do not take advantage of such arrangements. This study will collect information from State agencies and SFAs to learn more about best practices and perceived benefits of cooperative buying, barriers to using it more widely, and potential tools and strategies to encourage and facilitate cooperative buying agreements. It will also consider the relationship of these cooperative food purchasing practices to the use of USDA Foods.

Feasibility of a National Database of SNAP Caseload Data
FNS regularly has the need for current and longitudinal State SNAP caseload data. While there are some efforts underway to bring a few States together under data sharing agreements, these efforts have been extremely difficult to implement. SNAP Quality Control data provide a rich dataset for some purposes, but lag in time before they are available, the cross-sectional nature of the sample limits certain analyses, and relatively small samples mean that they cannot be used for projects specific to certain geographic areas or samples of specially-selected participants.

The objectives of this feasibility study are to understand the technological, policy, and cost requirements of creating a system that could capture and store State SNAP caseload data; identify barriers to State cooperation and ways to overcome those barriers; identify potential risks associated with data quality, cost, privacy, confidentiality and potential abuses; and provide options for delivering all data and a representative sample from each State Agency.

Catalog of Noncash TANF Assistance Programs
This study would develop an updated catalog of State TANF programs or policies that provide a noncash TANF benefit to SNAP household, including the number of households and individuals that have received the benefit in recent years.

Methods to Standardize State Standard Utility Allowances
This study would develop alternative methods for standardizing the development of Standard Utility Allowances (SUA) across the States. Devoting resources to standardizing the process for calculating annual SUAs has the potential to produce information that could be used to improve and simplify State and Federal program administration.

Improved Reporting WIC Participants by Food Package
The change in the WIC food packages in 2009 was followed by conforming changes in the requirements for reporting data in the biennial WIC Participant and Program Characteristics (PC) data collection. The results from PC2010 indicate that many States are having challenges providing the biennial data with proper assignment of participants to the 27 WIC food package categories. This project would enable FNS to work with State agencies to refine and improve the accuracy and completeness of reporting to properly align with the food package categories in preparation for the PC2014 data collection.

Commodity Food Distribution System
The project will provide a descriptive analysis - based on data currently submitted to FNS - of food distribution systems. The project would examine food delivery systems, storage centers, associated costs, and the services States receive for costs incurred.

Analytic Support for Policy Development
These blanket purchase agreements provide for analysis of existing data sets to address a variety of specific program or methodological questions useful to program managers and to support development of cost estimates for legislative, budgetary and regulatory proposals. These include the generation of estimates of the number of people eligible for WIC, development of information to support State WIC funding allocations, and an annual analysis of regional office review of school meal applications. Separate agreements are in place for SNAP, CN, and WIC.

FOOD AND NUTRITION SERVICE
RESEARCH AND EVALUATION PLAN - FISCAL YEAR 2014

FEBRUARY 19, 2014

CONTENTS

STRATEGIC GOAL: ALL OF AMERICA'S CHILDREN HAVE ACCESS TO SAFE, NUTRITIOUS, AND BALANCED MEALS

Please Note: This plan is a forecast of projects FNS expects to pursue in Fiscal Year 2014, but is subject to modification without notice based on funding availability and program priorities.

ALL OF AMERICA'S CHILDREN HAVE ACCESS TO SAFE, NUTRITIOUS, AND BALANCED MEALS

IMPROVE PROGRAM ACCESS AND REDUCE HUNGER

Demonstrations to End Childhood Hunger and Food Insecurity
The Healthy, Hunger-Free Kids Act of 2010 (Section 141) authorized demonstrations to test innovative strategies - including alternative models for service delivery and benefit levels - to end child hunger and food insecurity. USDA is developing a solicitation for States and Indian tribal organizations to propose potential projects for competitive selection. The Department is required to conduct an independent evaluation of each demonstration using rigorous methods to measure the impact on participation, food security, nutrition, and associated behavioral outcomes. We will share results broadly to inform policy makers, service providers, other partners, and the public to promote wide use of successful strategies.

Research on Causes, Characteristics, and Consequences of Childhood Hunger and Food Insecurity
The Healthy, Hunger-Free Kids Act of 2010 (Section 141) authorized a new research program on the causes, characteristics, and consequences of childhood hunger and food insecurity, with a focus on efforts to improve the knowledge base regarding contributing factors, geographic distribution, programmatic effectiveness, public health and medical costs, and consequences for child development, well-being, and educational attainment. USDA recently sponsored a Committee on National Statistics workshop to identify topic areas and research methods with the greatest potential. These ideas and other expert and stakeholder input will inform the Department's investment of these funds.

Summer EBT for Children
This project would use the remaining funds from the Summer Food for Children appropriation to extend the demonstration in existing sites and assess the effectiveness of benefit delivery. The project would provide EBT-based benefits in the summer of 2014 to the families of NSLP-free and reduced price certified children in a several counties in States participating in 2013. The evaluation would use administrative data from issuance, redemptions and school meals applications to determine the effectiveness of benefit delivery.

Assess the Barriers that Constrain the Adequacy of SNAP Allotments
The IOM committee report *SNAP: Examining the Evidence to Define Benefit Adequacy* recommended that FNS assess the individual, household, and the environmental factors that limit adequacy of the SNAP allotment. This study would develop and implement a new data collection to survey SNAP participants to determine these factors. The survey will include questions about cooking skills, shopping patterns, nutritional literacy, financial literacy, time available for preparing food, and other constraints.

Child Nutrition Program Coordination in Rural Counties with Persistent Child Poverty Counties with persistently high levels of child poverty are likely to also experience significant food insecurity among children. For low income families with children, school meals and other child nutrition programs supplement household resources and SNAP benefits to provide access

to nutritious food. However, it is unclear whether these counties are using the programs as effectively as possible. This grant project would target two counties in each of the 15 States with the most counties with high child poverty. Grantees would assess eligibility for and participation in food and nutrition assistance, and the service integration and coordination of these programs with each other and other health and social services. Using a community involvement model, the grantee would work with representatives from each of these communities to identify barriers and facilitators to increasing access to Federally-funded and other food and nutrition assistance programs, and recommend improvements specific to each community.

Asset Limits and Their Impact on SNAP Participation and Financial Stability
Evidence suggests that asset limits may prevent low-income families from maintaining resources to protect them from a financial shock or unanticipated expense. This study will examine whether asset limits (1) keep low-income families from participating in mainstream financial markets; (2) prevent low-income families from maintaining a buffer against major financial hits or other income shocks, and (3) contribute to longer SNAP spells due increased financial hardship related to a lack of assets. The first phase of the project will be a feasibility assessment to assess the appropriateness of available data sources and determine the best methodology for addressing the research questions. The second phase will carry out the study based on the results of the first phase.

Assessment of Tribal Administration of Federal Nutrition Assistance Programs
The Agricultural Act of 2014 (Section 4004) provides funds for a study to determine the feasibility of Indian Tribal Organizations (ITOs) administering Federal nutrition assistance programs in lieu of State agencies or other administering entities. The study will determine which programs, services, functions, and activities it is feasible for ITOs to administer. The study will also determine whether statutory or regulatory changes would be necessary to allow for the change in administration.

Examination of Cash Nutrition Assistance Program Benefits in Puerto Rico
Currently 25 percent of a household's allotment of Nutrition Assistance Program benefits in Puerto Rico is provided in the form of cash. The Agricultural Act of 2014 contains a provision (Section 4025) that over a 5-year period transitions the cash portion of the benefit to electronic benefit transfer by 2021. The Act also provides funds to carry out a review of the history, purpose, and usage of the cash portion of the benefit. The study is also to include an assessment of the potential adverse effects of discontinuation of cash benefits for both program participants and retailers.

Assessment of Nutrition Assistance Program Administration in the Commonwealth of Northern Mariana Islands
The Agricultural Act of 2014 (Section 4031) provides funds to assess the capabilities of CNMI to operate the Supplemental Nutrition Assistance Program (SNAP) in a similar manner to State agencies and to assess alternative models of SNAP operation and benefit delivery to best meet the nutrition assistance needs of CNMI. The study is to include assessments of CNMI's ability to fulfill the responsibilities of a State agency as defined in the Food and Nutrition Act of 2008 in regards to certifying eligible households, issuing benefits through electronic benefit transfer, maintaining program integrity including operation of a quality control system, implementing

work requirements including operation of an employment and training program, and paying a share of administrative costs with non-Federal funds.

IMPROVE NUTRITION AND REDUCE OBESITY

Annual Assessment of Changes in Local Wellness Policies and Competitive Foods Practices Federal policymakers and child nutrition program managers need up-to-date information on changes in school local wellness policies and competitive foods practices. States, local education agencies, academic institutions and other stakeholders are interested in tracking such changes; a partnership in this effort has the potential to provide consistent reporting at a reduced cost. This grant would enable FNS to serve as the Federal coordinating point for funds from FNS and other Federal partners in the National Collaborative on Child Obesity Research (NCCOR) into a consolidated grant to support annual assessment and reporting by an independent academic institution. The base grant amount would support three years of core measures of interest to FNS. Contributions from other NCCOR partners would fund modules of specific interest to them, such as assessment of local wellness policies on physical activity.

Center for Behavioral Economics in Child Nutrition Programs (BEN)
This funding will support an additional year of FNS and ERS's continuing partnership with Cornell University's Behavioral Economics in Nutrition (BEN) Center, the leading research organization examining the impact of behavioral economics principles on students' choices in school lunchrooms. The Center's "Smarter Lunchroom" strategies are affecting important changes in school cafeterias nationwide. The Center is also examining plate waste in school lunch programs. This year's funding will support a special focus on expanding the adoption of Smarter Lunchroom strategies broadly among NSLP schools.

USDA Center for WIC Nutrition Education Innovations
In 2012, FNS established the USDA Center for WIC Nutrition Education Innovations via a competitive grant to Baylor University. This Center provides competitive sub-grants for innovative research on effective WIC nutrition education and promotes delivery of science-based quality nutrition services in WIC. This second round of funding supports the continued work of this Center and additional innovative sub-grants with a focus on preventing development of child overweight and obesity.

WIC Food Package Contents Study
In 2011, FNS published a report on the choices each WIC State agency had made in 2009 in exercising the flexibilities allowed under the new WIC food packages. Since this early implementation, States have made numerous adjustments to their policy choices. This study would update the previous study with an examination of which foods States offer in their food packages after 5 years of experience with the new food packages.

USDA Foods Healthy Eating Index Update
In 2012, FNS published the report "Nutrient and MyPyramid Analysis of USDA Foods in Five of Its Food and Nutrition Programs" which includes assessment of NSLP and other USDA Foods using the CNPP's Healthy Eating Index 2005. Since this analysis was completed, CNPP has updated to the Healthy Eating Index 2010 (HEI-2010). This report will provide updated information on USDA Foods using the HEI-2010, and allow for testing to determine the impact of potential changes in USDA Foods on the HEI-2010 score.

FNS-ARS Collaboration on School Meals Nutrient Analysis
This project will support a thorough nutrition analysis of school foods in the School Nutrition and Meal Cost Study. The Food Surveys Research Group of the Agricultural Research Service will provide nutritional information for 250 new foods identified in the study but not found in existing data bases.

Fresh Fruit and Vegetable Program Pilot to Include Canned, Frozen and Dried Fruits and Vegetables
Section 4214 of the Agricultural Act of 2014 directed the Food and Nutrition Service to implement and evaluate a pilot in at least five States, expanding the scope of the Fresh Fruit and Vegetable Program (FFVP). Currently, FFVP only allows participating schools to serve fresh produce. The pilot would allow schools to add canned, frozen, or dried fruits and vegetables to the items they offer. The evaluation of the pilot would consider its impact on fruit and vegetable consumption, participation, implementation strategies at the schools, and stakeholders' perceptions of the program. The legislation directs that the pilot should be implemented in School Year 2014-2015, and that an interim report be published by January 1, 2015, and a final report be published at the end of the pilot.

IMPROVE PROGRAM INTEGRITY AND REDUCE IMPROPER PAYMENTS

Improper Payments in CACFP Centers
This study will provide a comprehensive measure of the level of erroneous payments (dollars and rates) to child care centers and center sponsors participating in CACFP. It builds on the methods developed for school meals in the Access, Participation, Eligibility and Certification (APEC) study series. Estimates will be designed to meet the measurement requirements of the Improper Payments Elimination and Recovery Act (IPERA) of 2010. The findings from this study would complement the annual measure of reimbursement "tiering" errors in family day care homes for IPERA reporting on CACFP.

CACFP Family Day Care Homes Meal Claims Feasibility Study
The study would examine ways to provide a measure of erroneous payments to family day care homes (FDCH) FDCHs participating in CACFP. Different methods of estimating improper payments and their rates will be developed and a feasibility study will be conducted in an effort to determine the best means to meet requirements under the Improper Payments Elimination and Recovery Act (IPERA) of 2010.

Developing Recommendations for Scoring SNAP Retailer Applications
FNS is considering changes to SNAP retailer authorization requirements to ensure that the profile of authorized retailers provides program participants with access to healthful foods while also protecting program integrity. This project would review data available to FNS at the time of retailer application to identify tools and strategies to evaluate applications and inform choices about which retailers would best further the purposes of the program. The project will design one or more options for scoring retailer applications, assess thresholds for approval of retailer applications given program objectives, and assess potential impacts that implementation of scoring systems would have on the SNAP food retail environments, both in terms of availability of healthful choices and food access.

Regional Office Review of Applications (RORA)
This project reviews a national sample of NSLP applications collected annually by FNS regional offices to determine the extent of administrative

error in the local process of approving applications for free and reduced-price school meals. These error rates are reported to comply with the Improper Payments Elimination and Recovery Act (IPERA) of 2010.

Child and Adult Care Food Program Tiering Error Measurements
This project supports IPERA requirements by collecting and analyzing nationally-representative data on the accuracy of child care sponsor determinations of reimbursement rates ("tiers") for family day care home providers in 2014. A report of findings will include the 2014 annual measure and comparison to prior years.

Methods for State-Specific Rates of NSLP/SBP Erroneous Payments
The FNS-sponsored Access, Participation, Eligibility and Certification Study-2 (APEC-2) includes a follow-on report that will provide statistically-derived State-level estimates of school meals erroneous payments. However, while the APEC-2 can provide a rough indicator of relative risk for groups of States (e.g., higher than average, about average, lower than average), it is not a State-representative direct measure, and creating actual annual measures of such erroneous payments at the State level using APEC methodology is cost-prohibitive. This project will explore alternative approaches to developing measurement-based State-specific estimates that are responsive to year-to-year changes in the actual underlying rate in each State. It will provide cost and burden estimates for the implementation of each of these methods.

WIC Vendor Error Aging for IPERA Reporting
This project funds the annual aging of data on erroneous WIC vendor payments for reporting in the USDA financial reports. It helps fulfill the requirements of the Improper Payments Elimination and Recovery Act (IPERA) of 2010. Data from a study of vendor payments in 2012 are adjusted using administrative reports of findings from covert compliance purchases at WIC vendors conducted on an ongoing basis by State WIC agencies.

OTHER SUPPORT FOR PROGRAM MANAGEMENT AND PERFORMANCE

Measuring SNAP Access, Trends and Impacts (Microsimulation)
This on-going project supports several key analytic tools and analyses to address SNAP participation trends and impacts; generates annual reports on the characteristics, participation rates and patterns of participation; and supports the Agency's capacity to assess cost and distributional impacts of proposed changes to SNAP and other nutrition assistance programs.

Review of Child Nutrition Data and Analysis for Program Management
The current routine data collection requirements for the child nutrition programs have their roots in the paper and early computer eras and reflect concerns with paperwork and reporting burden. In many cases, data collected at the service delivery point (e.g., school or child care provider) are aggregated at one or more level before reporting to FNS as State data, resulting in a significant loss of potentially valuable information along the way. Some States/school districts have developed more sophisticated systems; however, there is no comprehensive approach to utilizing program data timely and effectively for program oversight and management improvement at the Federal, State and local levels. This project would provide for a comprehensive assessment of the FNS child nutrition management information needs and make recommendations for information system improvements, as well as identify the reporting and recordkeeping requirements and costs needed to support such improvements.

Updating the WIC Participant Characteristics (PC) Reporting System
This project will form and support a task force of subject matter experts to examine WIC data and analysis needs and develop potential improvements. Recent changes in WIC have highlighted the need to ensure that FNS and its partners have the information necessary for effective program management, performance assessment and monitoring. In addition, the closure two years ago of CDC's Pediatric Nutrition Surveillance System, which complemented WIC PC, left an important information gap. This task force will examine what data are currently available to States, what FNS collects through PC and other resources, and recommend possible modifications to PC data collection timing, data elements, analyses and reporting, along with other opportunities for using and analyzing data to further the program's management, health and nutrition goals, without unnecessary burden.

Cost Dynamics of USDA Foods Usage in School Meals
This project will provide an examination of how USDA Foods impact USDA school meal program costs. While recent study data shows that USDA Foods represent 10 to 15 percent of the total cost of food acquisitions in the National School Lunch Program, these data reflect the nominal Federal cost of these foods. They do not include costs associated with the processing of USDA Foods into products more useable by the school district. This study would examine the true value of USDA Foods to schools, and how this varies based on factors such as State policies, school district size, meal participation rates, urbanicity/rurality, participation in buying cooperatives and State of origin of the food item. The information may help to identify potential changes to the procurement and distribution process that could make the use of USDA Foods more cost-efficient for schools.

Analysis of FY 2013 SNAP Employment and Training (E&T) State Plans and Program Data for All States
The purpose of this project is to assess the availability of the data to examine the reach and the scope of SNAP E&T programs implemented by the States, in order to facilitate monitoring of E&T services and develop guidance for best practices. The analysis will use State E&T plans for FY13, program activity report data for FY13, and expenditure data. It will assess how well planned participation levels and program costs align with results, how costs vary by program type, and whether additional data collected by the program could inform program performance.

Direct Certification in the National School Lunch Program: Report to Congress
This supports the statutorily required annual report to Congress on the effectiveness of State and local efforts to directly certify SNAP participant children for free school meals. The measures developed for this report are used by USDA to make performance awards to States with high direct certification rates or substantial improvement in their rates, and to identify States whose performance falls below statutory thresholds and are required to develop and implement continuous improvement plans. The school year 2013-2014 report will be the first to use State reported data from new and revised forms intended to improve the report's estimates of direct certification performance.

Pricing Behavior of WIC Participants
WIC participants have little incentive to pay attention to the price of products on their food instrument. This study will provide a white paper based on consultations with experts that explores methods States could consider to incentivize WIC clients to be more conscious of the prices charged for WIC foods. In addition to identifying opportunities, it will

describe the challenges that would be faced in implementing these price sensitizing changes.

FDPIR Regional Vendor Pilot Evaluation
This operational pilot began to collect administrative data earlier this year. This project will analyze the data to examine whether the new distribution method produced cost savings over the regular distribution method.

Special Nutrition Quick Response Surveys
This blanket purchase agreement will be used to support development, pretesting, OMB approval, fielding, analysis and reporting of small, fast-turnaround data collections. This functionality will enable FNS to produce short, limited-topic analyses and memoranda or short reports to answer key questions about the program, further understanding of issues, facilitate decision-making for policy concerns and provide information for regulatory impact analyses.

WIC Quick Response Surveys
This project will support development and testing of a questionnaire, OMB clearance, and rapid data collection, analysis and reporting on a limited number of topics of pressing policy interest in FY2014.

CN Program Analytic Support
This provides additional funds for an existing contract to support a variety of small-scale data collections and quick turnaround analyses to support legislative, budget and policy development. Analyses to be conducted could include analysis of the School Food Purchase Study data set focused on USDA Foods.

WIC Program Analytic Support
This project adds funds to an existing contract to prepare estimates for WIC eligible populations used in the program's funding formula, as well as a variety of quick turnaround analyses to support legislative, budget and policy development. It may also be used to support small-scale data collections such as periodic determination of the State average redemption rate for WIC cash value vouchers for fruits and vegetables.

FNS Staffing

Mr. Aderholt: Provide a table that shows the number of staff funded by each appropriation provided under the Food, Nutrition and Consumer Services heading broken out by discretionary and mandatory funds. Please show the CNPP staff years on separate lines.

Response: The information is provided for the record.

[The information follows:]

Appropriation/Organization	Mandatory	Discretionary	Total
Supplemental Nutrition Assistance Program	281		281
Child Nutrition Programs	270	18	288
Supplemental Nutrition Program _WIC		40	40
Nutrition Programs Administration		980	980
Commodity Assistance		2	2
Center for Nutrition Policy and Promotion		33	33
Total	551	1,073	1,624

FNS Nutrition Education

Mr. Aderholt: FNS makes available nutrition education and information to all Americans regardless of income. How much of your total agency budget is spent on nutrition education? How many other USDA agencies conduct nutrition education programs? How do you coordinate with other agencies to ensure that you are not duplicating efforts? What is the total Department spending in nutrition education? Of this total Department-wide spending, what amount is directed towards obesity? Please provide specific examples demonstrating results from nutrition education programs.

Response: The Food and Nutrition Service anticipates spending about $1.2 billion in FY 2014 and requests $1.2 billion for FY 2015 for nutrition education. Within USDA, a number of other agencies, including the Center for Nutrition Policy and Promotion (CNPP), the National Institute of Food and Agriculture (NIFA), the Economic Research Service, and the Agricultural Research Service (including the National Agricultural Library) are all involved in either direct provision of nutrition education or in research that supports scientific evidence-based nutrition education.

FNS' nutrition education activities differ from other Federal efforts because they are designed to address the unique needs of individuals and families that participate in the nutrition assistance programs. The focus of nutrition education in the FNS programs is on promoting healthy eating and physical activity behaviors to maintain good health and to prevent or reduce diet related health risks including overweight and obesity. The content and educational approaches used focus on the needs of low-income people and the challenges they face in consuming a healthy diet and being physically active with limited resources and less access to healthy foods and physical activity resources in their communities. As these programs serve 1 in 4 Americans over the course of a year, the investments listed above actually translate into relatively modest per participant expenditures.

The Department of Health and Human Services (HHS) shares responsibility with CNPP and other USDA agencies to provide nutrition information for the general public. The CNPP and HHS work together to prepare the *Dietary Guidelines for Americans*, the nation's basic nutrition policy. A number of HHS agencies use nutrition education and promotion as part of their health promotion, disease reduction and treatment strategies.

Within the USDA, NIFA also provides nutrition education, and the National Agricultural Library provides nutrition information and education resources as part of their information services. The USDA Human Nutrition Coordinating Committee (HNCC) is the primary mechanism for advancing ongoing collaboration among all of the USDA agencies and with DHHS agencies. The

Committee consists of representatives of the USDA mission areas that carry out these functions, including FNS as well as representatives from HHS. The Committee meets quarterly to discuss and share current work, emerging issues and future plans. The purpose of the HNCC is "…to ensure that …all activities related to public education and information relating to human nutrition is carried out in an integrated and coordinated manner..."

In pursuing their specialized missions, FNS and CNPP work with these and other Federal agencies to ensure that nutrition education activities are coordinated and effective, messages are based on sound science, and duplication of effort is avoided.

- To coordinate policy and program activities, FNS and CNPP participate in Federal interagency committees, such as the Dietary Guidance Working Group, the Human Nutrition Coordinating Committee, HealthierUS Workgroup; Interagency Child Care Group, and the Nutrition and Food Safety Education Committee.

- A number of FNS nutrition education activities reflect partnerships with other Federal agencies. The Fruits and Veggies, More Matters partnership, for example, to promote increased consumption of fruits and vegetables, involves other USDA agencies and the Centers for Disease Control and Prevention (CDC), as well as external partners. Similarly, the Department of Education and CDC works with FNS as a supporter of local school wellness policies and Team Nutrition, our school-based nutrition education effort. FNS has also worked closely with CDC is to enhance SNAP-Ed's focus on obesity prevention. FNS works in partnership with the National Agriculture Library to make science-based information accessible to nutrition education, and to collect and share resources developed by State partners as well as at the national levels. FNS is collaborating with ARS- to foster innovative nutrition education approaches for the WIC Program.

FNCS makes every effort to share and collaborate on nutrition education and information materials. FNCS works with other Federal agencies in developing new materials to take advantage of specialized expertise, maximize the use of limited resources, ensure consistency and avoid duplication. FNCS also permits other agencies to join in print orders on new nutrition education products, reducing costs. FNCS shares completed materials through the agency's web site and the USDA's National Agricultural Library. FNCS also encourages collaboration among the federal nutrition assistance programs at the State and local levels by encouraging State programs to work together to plan and implement collaborative nutrition education interventions around a common goal.

Nutrition professionals across the country are working to plan and implement science-based nutrition education and promotion programs designed to help low-income families and children to make healthier choices. These interventions use evidence-based methods along with content and resources that are culturally relevant, age appropriate, clear and feasible for low income households to put into action. For example, a 2008 literature review (Escamilla *et al*, "Impact of peer nutrition education on dietary behaviors and health outcomes among Latinos: A systematic literature review", http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2746903/) found that peer nutrition education has a positive influence on diabetes self-management and breastfeeding outcomes, as well as on general nutrition knowledge and dietary intake behaviors among Latinos.

Specifically with regard to FNS-supported nutrition education, an evaluation of *Eat Well Play Hard in Child Care Settings, a* SNAP-Ed intervention *delivered by the New York State Department of Health,* indicated a significant increase in daily at-home consumption of vegetables and in use of 1 percent or fat-free milk by children. Children in the intervention group were about 39 percent more likely at follow-up than children in the control group to drink or use 1 percent or fat-free milk. See http://www.fns.usda.gov/ORA/menu/Published/SNAP/FILES/Other/SNAP-EdWave1EatWell_VolI.pdf

FNS Required State-Matching Funds

Mr. Aderholt: Please list for the record the FNS programs that require state matching funds, and the percentage required.

Response: The information is provided for the record.

[The Information follows:]

There are two matching requirements for the Food Distribution Programs:

1. The Food Distribution Program on Indian Reservations (FDPIR) requires that each participating Indian Tribal Organization (ITO) or State agency match 25 percent of approved administrative expenses. With compelling justification, ITOs or State agencies may be granted a lower match.

2. In The Emergency Food Assistance Program (TEFAP), each State agency is required to match, either cash or in-kind, each dollar of administrative funds received and retained by the State for State-level costs or made available to eligible agencies that are not considered emergency feeding organizations. Any funds passed through to emergency feeding organizations, such as food pantries, food banks, and soup kitchens, or spent on behalf of such emergency feeding organizations, are not required to be matched.

There are two matching requirements for the Child Nutrition Programs:

1. The State Revenue Matching Requirement (SRMR) is an annual match in order to receive National School Lunch Program (NSLP) general cash assistance funds. For each school year, the amount of State revenues appropriated or used specifically by the State for program purposes must not be less than 30 percent of the funds received by the State under section 4 of the National School Lunch Act during the school year beginning July 1, 1980. The State revenues derived from the operation of these programs and State revenues expended for salaries and administrative expenses at the State level are not considered in this computation; however, if the per capita income of any State is less than the per capita income of the United States, the matching requirements computed will be decreased by the percentage by which the State per capita income is below the per capita income of the United States.

2. The State Funding Requirement (SFR) is an annual match in order for the State to receive federal State Administrative Expense (SAE) funds. This requirement is based on the amount of funds a State contributed towards the administration of the Child Nutrition Programs for Fiscal

Year 1977. As provided for in the Child Nutrition Act, States must spend at least as much from State revenues for the administration of the NSLP, School Breakfast Program (SBP), Special Milk Program (SMP), and Child and Adult Care Food Program (CACFP), as they did for Fiscal Year 1977.

There is one matching requirement in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program:

1. State agencies participating in the WIC Farmers' Market Nutrition Program (FMNP) must provide State, local or private funds, or program income equal to not less than 30 percent of their total FMNP administrative costs. In certain situations, Indian State agencies can provide a lower percentage of matching funds, but not lower than 10 percent of the administrative cost of the program.

For Supplemental Nutrition Assistance Program (SNAP), USDA funds SNAP benefits at 100 percent. USDA also reimburses State administrative costs at a 50 percent match rate. In addition, USDA provides 100 percent federally funded grants to State agencies annually for administrative costs of operating an E&T program and a Nutrition Education and Obesity program. State spending on SNAP E&T beyond this grant is reimbursed at 50 percent.

Mr. Aderholt: Please provide an organizational chart for the Nutrition Programs Administration account for fiscal year 2014. What is the actual level of staffing expected for fiscal year 2014?

Response: The Nutrition Program Administration Account is used to fund staffing throughout the Agency. The actual staffing level expected for FY 2014 is approximately 808.

Office of the Under Secretary for Food, Nutrition, and Consumer Services
Employees and Positions

Mr. Aderholt: Please provide a full list of employees and positions assigned and detailed to the Office of the Under Secretary for Food, Nutrition, and Consumer Services for fiscal years 2013 and 2014. This list should be comprehensive and include those positions providing a majority of their support to the office in an official and unofficial capacity.

Response: Below is listing of the employees and positions assigned to the Office of the Under Secretary for portions of fiscal years 2013 or 2014.

Brenda Lisi (Special Assistant to the Deputy Under Secretary)
Dan Christensen (Chief of Staff to the Under Secretary)
Alyn Kiel (Public Affairs Specialist)
Kristin Hyatt (Senior Policy Advisor)
Yibo Wood (Global Initiatives Coordinator)

Mr. Aderholt: Please provide a table with all mandatory funding that is provided in authorizing language for FNS programs per the Agriculture Act of 2014. List the name, program and amount for Fiscal Years 2014 and 2015.

Response: The information is provided for the record.

[The Information follows:]

Effects of Direct Spending Agriculture Act of 2014
($ in Millions)

Title IV Nutrition	**Program**	**2014**	**2015**
Retail Food Stores	SNAP	-5	-8
Food Distribution Program on Indian Reservations	SNAP		1
Standard Utility Allowances Based on Receipt of Energy Assistance Programs	SNAP	-90	-360
Improved Wage Verification Using the National Database of New Hires	SNAP		-2
Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort	SNAP	6	48
Review, Report, and Regulation of Cash Nutrition Assistance Program Benefits Provided in Puerto Rico	SNAP		1
Assistance for Community Food Projects	SNAP		4
Emergency Food Assistance	SNAP		50
Retail Food Store and Recipient Trafficking	SNAP	1	5
Commonwealth of Northern Mariana Islands Pilot Program	SNAP	1	1
Food Insecurity Nutrition Incentive	SNAP	3	20
Pilot Project for Canned, Frozen, or Dried Fruits and Vegetables.	CN	1	2
Total Title IV Nutrition		**-83**	**-238**

QUESTIONS SUBMITTED BY CONGRESSMAN TOM LATHAM

National School Lunch Program Equipment Assistance Grants

Mr. Latham: Undersecretary Concannon - Thank you for appearing before us today. I am interested in discussing rural school districts and the difficulties that some of them are having in meeting new requirements and guidelines related to school lunch menus. I have concerns that some small schools may not have the financial resources to make changes necessary to adapt to changing guidelines.

In order to address this problem, I introduced legislation last year that would provide guaranteed loan assistance to help school districts with infrastructure costs associated with new mandates. Also, this subcommittee included funding in the FY 2014 Omnibus Appropriation's bill, to provide competitive grants to state agencies for subgrants to local educational agencies and schools to purchase the equipment needed to meet changing meal requirements and to improve food safety. I would like to hear your views on the subject:

Response: The National School Lunch Program (NSLP) equipment assistance grants provide critical resources to help schools purchase the equipment needed to serve healthier meals, improve food safety, expand access, and improve energy efficiency. Since 2009, FNS has provided $160 million in equipment grants to schools including the most recent $25 million.

In FY 2014, FNS awarded $25 million to State agencies that competitively awarded equipment assistance grants to eligible school districts participating in the NSLP. These new grants provide additional support to schools to help them prepare meals that meet the new meal pattern requirements. When awarding these grants, States were required to use specific grant criteria developed by FNS to best meet the needs of school districts, including schools located in underserved areas, schools with limited access to other resources; and schools with aged food service equipment.

During the grant award process, including solicitation and obligation, FNS expected States to build on the American Recovery and Reinvestment and Act of 2009 and FY 2010 National School Lunch Program Equipment Assistance funding criteria, which targeted low income districts via a competitive grants process that is fair and equitable, while prioritizing awards based on a high eligibility rate for free and reduced price meals and need.

Mr. Latham: How many school districts around the country have been unable to meet the new meal requirements? Was the cost and economic hardship it would cause for some small school districts taken into consideration when the regulatory process moved forward? How does the Department of Agriculture address problems with School Districts that are having financial difficulty meeting new and expanding requirements on how they administer their school lunch programs around the country?

Response: Most schools are overcoming the initial implementation challenges they faced with over 90 percent of school food authorities certified as meeting the meal pattern requirements and 96 percent of the total lunches served to-date are receiving the additional performance reimbursement. Nonetheless, we know that some schools are facing challenges and FNS has consistently provided flexibility in response to specific

challenges associated with implementation, such as portion size and most recently, whole grain pasta.

Early in the implementation process for school meals, when schools asked for flexibility to serve larger servings of grains and meats/meat alternates within the overall calorie caps, USDA responded. In January of this year, that flexibility was made permanent. And hearing schools concerns on the lack of availability of whole grain pasta, USDA is allowing schools that have demonstrated difficulty in obtaining adequate whole grain pasta to use enriched pastas for an additional two years while industry works to create better whole grain pasta products. USDA is also phasing in the sodium limit over the next several years.

Additionally, USDA offers more than 200 products with specifications that require lower sodium, fat, and sugar profiles than most commercial equivalents. About 2/3 of the products available through USDA Foods are items in their basic forms with no salt added, while many other options include low-sodium or reduced-sodium profiles. USDA also offers a variety of whole grains including brown rice, whole grain pastas, whole wheat flour, rolled oats, whole grain tortillas, and whole grain pancakes. To respond to schools' needs, USDA plans to introduce white whole wheat/enriched flour blend and whole grain-rich blend pastas during SY14-15.

Federal meal reimbursements, which represent the majority of SFA revenue, are not decreasing. The most recent USDA data, from SY 2010-2011, indicate that the average SFA earns more than half of its total revenue from Federal meal reimbursements, and these are adjusted annually for food cost inflation. Schools also earn a 6-cent per meal additional reimbursement for meeting the new standards. USDA estimates that total revenue earned through Federally-reimbursable meals continued to increase as implementation of the new meal patterns progressed. To support the implementation and ongoing success with the new meal patterns, FNS is actively providing training and technical assistance and will continue to do so throughout the school year.

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

Food & Nutrition - Participation in School Meals

Mr. Yoder: The budget requests "$20.5 billion for the Child Nutrition Programs to assist State and local governments in serving nutritious meals to children in public and private schools, child care centers and family day care homes as well as summer recreation programs. This level of funding will support an expected increase in average daily lunch participation from 30.2 million children in FY 2014 to 30.4 million children in FY 2015."

Yet, a recent Government Accountability Office report (GAO-14-104) shows that, "Nationwide, student participation in the National School Lunch Program declined by 1.2 million students (or 3.7 percent) from school year 2010-2011 through school year 2012-2013, after having increased steadily for many years. This decrease was driven primarily by a decline of 1.6 million students eating school lunch who pay full price for meals, despite increases in students eating school lunch who receive free meals. State and local officials reported that the changes to lunch content and nutrition requirements, as well as other factors, influenced student participation. For example, almost all states reported through GAO's national survey that obtaining student acceptance of lunches that complied with the new requirements was challenging during school year 2012-2013, which likely affected participation in the program. Federal, state, and local officials reported that federally-required increases to lunch prices, which affected many districts, also likely influenced participation."

Are you aware of the GAO report on school lunches?

Response: Yes, GAO was asked to provide information on implementation of the school lunch changes during school year (SY) 2012-2013. GAO assessed (1) lunch participation trends, (2) challenges school food authorities (SFA) faced implementing the changes, if any, and (3) USDA's assistance with and oversight of the changes. As a result, GAO recommends that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states' technical assistance needs related to oversight of financial management.

GAO's audit showed that USDA provided substantial technical assistance in helping school districts achieve compliance with the new meal patterns. FNS also listened to the concerns of stakeholders and responded with appropriate flexibilities as they arose. To date, over 90% of school food authorities report are certified as meeting meal the pattern standards. FNS will continue with this approach moving forward as schools implement the new breakfast meal patterns, and provide States and schools the clarifications on oversight recommended by GAO.

Mr. Yoder: Has participation in the National School Lunch Program overall increased or decreased?

Response: Total average daily participation in the school lunch program has decreased from fiscal year 2011 through 2014 and is currently at about the same level as it was in 2006. However, within the total, there have been marked differences in behavior between children who receive free meals and those who pay full price for meals. Free participation has been increasing since 2006. Over 4.2 million more children receive free lunches

on any given school day in 2014 as compared to 2006. Conversely, participation by children paying full price for their lunches has been dropping since 2006. About 3.6 million fewer children are paying full price for their lunches in 2014 as compared to 2006.

National School Lunch Program Average Daily Participation
FY 2006 - FY 2014
(numbers in thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
National School Lunch Program									
Free	14,775	14,961	15,392	16,280	17,579	18,354	18,721	18,936	19,076
Reduced Price	2,947	3,053	3,125	3,165	3,028	2,710	2,749	2,581	2,481
Paid	12,406	12,616	12,499	11,865	11,146	10,777	10,183	9,159	8,748
Total	30,128	30,630	31,016	31,310	31,753	31,841	31,653	30,676	30,305
Change in total participation		1.67%	1.26%	0.95%	1.41%	0.28%	-0.59%	-3.09%	-1.21%
Change in free participation		1.26%	2.88%	5.77%	7.98%	4.41%	2.00%	1.15%	0.74%
Change in paid participation		1.69%	-0.93%	-5.07%	-6.06%	-3.31%	-5.51%	-10.06%	-4.49%

Mr. Yoder: Do you subscribe to the GAO reporting that, "State and local officials reported that the changes to lunch content and nutrition requirements, as well as other factors, influenced student participation. For example, almost all states reported through GAO's national survey that obtaining student acceptance of lunches that complied with the new requirements was challenging during school year 2012-2013, which likely affected participation in the program. Federal, state, and local officials reported that federally-required increases to lunch prices, which affected many districts, also likely influenced participation.

Response: Anytime a significant program change is implemented, there will be challenges. FNS acknowledges that participation decreased nationally by roughly 3 percent from last school year to this school year. Change does not come easy to everyone. Some schools are adapting to the new standards more easily than others, and efforts are underway to ensure that the new, healthier meals, as well as the service environment, are appealing to students.

We also have heard from many schools that have reported a positive response to the healthier offerings, and some have seen increased participation in this first year of implementation. A few examples that come to mind include Los Angeles, Dallas, and some of Florida's largest districts. In fact, Los Angeles Unified—one of the nation's largest school districts—has seen a 14% increase in participation since implementing the new meal patterns.

Paid participation dropped by 10% in FY 2013, while free participation increased by 1% in FY 2013. These changes are consistent with the pattern we have been seeing for the last several years. Many different factors may have contributed to the larger than normal drop in paid participation unrelated to the implementation of the new meal pattern, such as:

- Impacts of Hurricane Sandy relief efforts, which resulted in free meals for children in the disaster areas.
- Continued participation in the Community Eligibility Provision as well as advances in direct certification with SNAP may have also contributed to the increases in free participation and decreases in paid as more eligible students are captured for free meals.

- The direct certification with Medicaid demonstrations may also contribute to this trend.
- The requirement to increase paid lunch prices may have impacted paid participation in some districts. In recognition that not all districts need the additional revenue from increasing prices, FNS provided flexibilities. Districts able to charge lower paid lunch prices while remaining in good financial standing may be exempt from the requirement and not have to increase their paid lunch prices.

Any short term impacts of the implementation of the new meal patterns did not reverse the long term growth in participation in the breakfast program which experienced the first round of meal pattern changes in the 2013 - 2014 school year. Total breakfast participation increased by almost 3% in FY 2013 and has increased by almost 25% since 2008.

Mr. Yoder: Given that providing students healthier meals is an important goal we all share, are you concerned about the sustainability and future of the school meal programs, particularly challenges such as increased costs and increased food waste from kids throwing away the fruits and vegetables they are required to take even if they have no intention of eating them.

Response: Safeguarding the health of children and the sustainability of the school meal programs is important for all of us. To help with implementation of the new meal requirements, school districts certified in compliance with the meal pattern earn a 6-cent per meal additional reimbursement. As of June 2014, over 90 percent of school food authorities (SFAs) report compliance with the new the meal pattern requirements, which means that the majority of the total lunches served by program operators this school year are receiving the additional reimbursement. And since the average SFA earns more than half of its total revenue from Federal meal reimbursements, which are adjusted annually for food cost inflation, this additional funding is an important factor in sustaining the quality of the meals offered to children.

In addition to availability of the additional performance-based 6-cent reimbursement, the Healthy, Hunger-Free Kids Act (HHFKA) requires that schools set an adequate price for paid lunches yearly so that schools receive as much revenue from paid lunches as the Federal program provides for free lunches. The HHFKA also requires that schools set competitive prices for a la carte foods so that revenues received from the sale of non-program foods equal the cost of obtaining them. When taken together, USDA estimates that the additional 6-cent reimbursement provided for improved meals and the non-Federal revenue generated by the above provisions will, on average, provide enough revenue for schools to meet the new meal requirements.

Different factors determine the sustainability of a school foodservice operation, including staff qualifications and training, food procurement and menu planning decisions, and other business practices. USDA is working with the National Food Service Management Institute (NFSMI) to offer training and technical assistance to school districts that are facing difficulties. We recently announced the *Team Up for School Nutrition Success Initiative*, which will provide learning experiences and resources, both training and peer-to-peer mentorship, to help schools make progress in meeting the requirements with financial stability and strong student participation. NFSMI will pilot this initiative, which allows selected SFAs to participate in an expense-

paid, tailored training workshop and then enter into a peer-to-peer mentoring program designed to address SFAs' individual needs and resources.

The pilot will be conducted with approximately 48 SFAs starting in November 2014. NFSMI will also conduct a 3, 6, and 12-month follow up with those SFAs to see what progress has been made and if there is need for additional training. The result of the pilot and the outcomes from the participating SFAs in the Southeast Region will help to inform future efforts so the initiative may then be rolled out more widely.

Mr. Yoder: As I mentioned in my previous question, the recent GAO report indicated that the school lunch program participation decline of 1.2 million students was driven primarily by a decline of 1.6 million students who pay full price for their meals despite increases in students eating lunch who receive free meals. This decline in paid meal participation only exacerbates the cost burdens placed on schools that depend on paid meal revenue to help cover the increased cost of providing meals under the new regulations.

Response: Anytime a significant program change is implemented, there will be challenges. Some schools are adapting to the new standards more easily than others, and efforts are underway to ensure that the new, healthier meal, as well as the service environment, is appealing to students.

The reduction in paid lunch participation relative to total participation began before the introduction of new meal requirements in School Year (SY) 2012-2013. Much of that reduction is tied to increased student eligibility for free meals, particularly since the start of the recession in Fiscal Year 2008. But the reduction in paid lunch participation also coincides with the long term successful efforts of local, State, and Federal officials to promote, improve and adopt methods that reduce the burden of the meal application process. Increased use and accuracy of the direct certification for children who receive other benefits that make them automatically eligible for free meals, including USDA's Supplemental Nutrition Assistance Program, have lowered the number of paid meals claimed. In addition, more schools are adopting the Community Eligibility Provision (CEP), which went nationwide in SY 2014-15. CEP provides an alternative to requiring household applications for free and reduced price meals and offers all students free meals in high poverty districts and schools. These methods have increased the number of eligible children certified for free meals who in past years would have purchased full price meals.

As of June 2014, over 90 percent of school districts report compliance with the new the meal pattern requirements, which means that the majority of the total lunches served by program operators this school year are receiving the additional reimbursement. And since the average SFA earns more than half of its total revenue from Federal meal reimbursements, which are adjusted annually for food cost inflation, this additional funding is an important factor in ensuring school districts run financially sound programs.

Despite concerns raised about the impact of new standards on participation and costs, a USDA analysis suggests that in the first year of implementing updated meal patterns, schools saw a net nationwide increase in overall revenue from school lunches of approximately $200 million. This includes the annual reimbursement rate adjustments, as well as per-meal increases in revenue from paid meals and the additional 6 cents per lunch for schools meeting the new meal standards.

Mr. Yoder: It is my understanding that USDA has implemented training programs in an effort to help school food service personal. Aside from those training programs, does USDA have a plan to address the decline in school lunch paid meal participation?

Response: Maintaining participation in the National School Lunch Program (NSLP) and School Breakfast Program (SBP) continues to be an important priority for USDA. We are taking actions to review the data regarding participation as well as, address the technical assistance that can be provided to the school food authorities (SFA) to ensure that participation in the NSLP and SBP is maintained and/or increased in the coming months.

To assist SFAs with overall participation, we have collaborated with the National Food Service Management Institute (NFSMI) to develop a pilot program - Team Up for School Nutrition Success (Team Up). The Team Up pilot will provide hands-on technical assistance to SFAs to help maintain and/or increase participation. Technical assistance will include training on: menu planning; financial management; procurement; meal presentation and appeal; youth engagement; etc. In addition to the Team Up pilot, we also offer a variety of opportunities for SFAs to receive additional funding for technical assistance and training. Additional opportunities that may help increase paid participation include: Team Nutrition (TN) Training Grants for Healthy Meals; the Chefs Move to Schools Program; and the Smarter Lunchrooms Movement.

In addition, USDA is working with Cornell University to improve our understanding of how lunchroom factors, such as meal presentation, good lighting and creative names of foods, can be effectively used to influence student food choices and consumption. *Smarter Lunchroom* strategies can facilitate student selection and consumption of healthy foods by nearly 70 percent

It should be noted that any short term impacts of the implementation of the new meal patterns were not evident in participation in the breakfast program which experienced the first round of meal pattern changes in the 2013 - 2014 school year. Total breakfast participation increased by almost 3% in FY2013 and has increased by almost 25% since 2008.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID VALADAO

WIC Stores

Mr. Valadao: Since April of 2011, a memorandum has been in effect stating that any retailer in California that seeks to open a new business or reopen a previously operating store location is restricted from obtaining a Women, Infant, and Children (WIC) vendor license. The timeline for the moratorium is undefined and retailers have been forced to either close their stores or limit job opportunities due to the lack of business that normally would frequent their store locations.

Why, given California is down what I understand is 1,000 authorized vendor locations over the duration of the moratorium, is the USDA not working to expand the exception criteria to allow responsible vendors to fill the gap and serve WIC clients in CA? Can you give me a timeline for exception criteria or when the moratorium will be lifted?

Response: USDA has implemented a phased-in approach to lift the vendor moratorium. On June 1, 2014, the first phase of the moratorium was lifted which allowed California to accept applications for new vendors being added to an existing master agreement, provided the vendor met the State's selection criteria and had a clean business integrity track record. Further, on September 15, 2014, the second phase was implemented which allows California to accept vendor applications for new full-line grocery stores that meet the State's selection criteria and have a clean business integrity track record. A federal moratorium remains in place for new above-50-percent vendors, that is, vendors for which WIC redemptions represent 50 percent or more of their annual food sales and "other" vendors, while FNS monitors the effectiveness of the changes put into place. It is anticipated that this last phase of the moratorium will be lifted at the end of the calendar year 2014.

Sodium Requirements

Mr. Valadao: Challenges with school meals will continue as more regulations go in to effect including the sodium reduction which starts in the 2014-15 school year. We are aware of a number of recent studies on sodium -- including one by the Institute of Medicine (IOM) that found that limiting sodium to 1,500 milligrams a day is dangerous and that there is nothing to support a 2,300 milligram level. The Department must look at all the emerging science in this area including that on the negative health implications of sodium reduction. This Committee has previously directed USDA to analyze the existing science regarding sodium reduction so can you give us an update on USDA's scientific review?

Response: USDA remains committed to applying the most up-to-date, evidence-based guidelines to all nutritional parameters set forth in the Child Nutrition Programs regulations. As required by Section 743 of the FY 2012 Agriculture Appropriations Act and as indicated in the preamble of the Nutrition Standards in the National School Lunch and School Breakfast Programs final rule (published January 2012), USDA continues to evaluate the science as it relates to studies on sodium intake and human health.

USDA has collaborated with the 2015 Dietary Guidelines Advisory Committee (DGAC) to review and analyze the most recent scientific literature evaluating the relationship between sodium intake and blood pressure among

children. The DGAC Sodium Working Group, who presented their draft findings at the DGAC's fifth public meeting September 16-17, 2014, used an extensive systematic review process to critique relevant literature on this topic. As presented, the Working Group concluded that "evidence has documented that as sodium intake decreases, so does blood pressure in children, birth to 18 years of age." This conclusion statement remained unchanged from the 2010 DGAC conclusion statement.

The conclusions made by the DGAC demonstrate that science continues to support the 2010 Dietary Guidelines for Americans, the guidelines on which the National School Lunch and Breakfast Programs' sodium targets are currently based. As such, it does not appear that changes in these sodium targets are warranted at this time; however, further decisions will be made once the 2015 DGAC Final Report is published next year.

TUESDAY, APRIL 8, 2014.

DEPARTMENT OF AGRICULTURE FIELD AGENCIES

WITNESSES

MICHAEL SCUSE, UNDER SECRETARY, FARM AND FOREIGN AGRICULTURAL SERVICES
JASON WELLER, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE
JUAN GARCIA, ADMINISTRATOR, FARM SERVICE AGENCY
PHIL KARSTING, ADMINISTRATOR, FOREIGN AGRICULTURE SERVICE
BRANDON WILLIS, ADMINISTRATOR, RISK MANAGEMENT AGENCY
MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

INTRODUCTION OF WITNESSES

Mr. ADERHOLT. Well, good morning. The subcommittee will come to order.

I am pleased to welcome everyone to our tenth, the actual final fiscal year 2015 budget hearing.

Joining us this morning is Mr. Michael Scuse, the Under Secretary of the Farm and Foreign Agricultural Services mission area; Mr. Juan Garcia, Administrator of the Farm Service Agency; Mr. Phil Karsting, Administrator of the Foreign Agriculture Service; Mr. Brandon Willis, Administrator of the Risk Management Agency; Mr. Jason Weller, Chief of the Natural Resources Conservation Service; and USDA's Budget Director, Mr. Mike Young.

So we welcome everybody. I think most of you except maybe Mr. Karsting were here last year. So we welcome you back and welcome Mr. Karsting. It is good to have you here with us this morning.

And to start this hearing, we are doing a lot of hearings that are going on on the Hill at this time. So there will be members who will be going in and out, coming and leaving because of simultaneous hearings going on. So do not take it personally. It is just the number of hearings that are going on at one time. So I just wanted you to be aware of that.

OPENING STATEMENT—MR. ADERHOLT

We have done something different this year by adding NRCS to the Farm and Foreign Agricultural Services area. One of the reasons for doing this is to link the important conservation efforts of NRCS to the efforts of FSA and RMA for the producers across the country.

As a result of bringing these four agencies together, we are able to cover the continuum of efforts from the NRCS' conservation programs, RMA's risk management duties, and FSA's production related programs to FAS' focus on promoting the fruits of America's immense productive capability in the international markets.

In this last hearing, the emphasis will once again be on the things and principles that we have been working on throughout the year. This Subcommittee is conducting its work on three primary themes.

First, ensuring the proper use of taxpayer funds through the committee's oversight responsibility;

Second, ensuring that the agencies here today develop, implement and execute an appropriate level of regulation to protect producers and the public;

And, third, ensuring that taxpayer funds are targeted at the most vital programs that are out there.

We will be reviewing your budget request with these three items in mind as we go through it.

The mission of the agencies here today are to enhance economic stability and expand economic opportunities for the United States' farmers, ranchers and producers by delivering effective commodity credit, conservation, risk management and export programs.

Congress struggled for two years to reach a compromise on the farm programs. Now it is time for each of these agencies to do their part in implementing the new and ongoing programs included in the 2014 farm bill. It is this Committee's responsibility to ensure that the discretionary funds are appropriated, which are in addition to the mandatory funds provided in the farm bill, and that they are adequate to ensure the successful implementation of new and existing farm bill programs.

The President's fiscal year 2015 budget proposal for the Farm and Foreign Ag. Services' mission area includes a request for approximately $3.4 billion in discretionary funding including the discretionary resources for loan subsidies to cover the cost of $6.4 billion in farm loans. This compares to $3.5 billion that was appropriated in fiscal year 2014.

On the conservation side, the fiscal year 2015 budget request, $815 million versus $825 million appropriated in fiscal year 2014. Within these totals, FFAS and NRCS are expected to cover the cost of $58.6 million in GSA rent and Department of Homeland Security charges.

We will explore two of the more controversial proposals from the Farm Service Agency that called for a reduction of 815 non-Federal, permanent, full-time staff-years and the closure of 250 county offices.

While all of us on the subcommittee are proponents of efficiencies, many of us here are not convinced that FSA has fully developed these plans and the savings associated with the proposal. Also, we need to be convinced that NRCS can simultaneously reduce 95 staff-years and save $34.4 million while efficiently implementing farm bill conservation programs and addressing the longstanding challenges within the agency's financial systems.

Lastly, I have to question the timing of yet another authorizing proposal for Public Law 480, Title II Food for Peace grants that would allow up to 25 percent of emergency funds to be used for cash assistance when the recently passed 2014 farm bill purposely chose not to make such a change to the program.

In closing, I would like to express my belief that most American taxpayers believe that sensible farm policies are a wise investment

for our Nation's health and the future of American grown food, fiber and feed. The investments we make in farm and conservation programs in the upcoming fiscal year will benefit all Americans from the farmers and the ranchers in the fields to consumers in the United States and also abroad.

Before I turn to Mr. Farr, I would like to thank Mr. Weller and NRCS for your assistance in updating the photos that decorate our hearing room this morning, and we thank you for your help with that. If you will look around, they worked out very nicely. So we appreciate your help with that.

I would also like to commend the department for yesterday's announcement for that producer to be able to sign up for livestock and tree disaster assistance programs on April 15th. We know this has been a priority for the Secretary. So it is a great job for that.

Now, let me turn to our distinguished Ranking Member from the State of California, Mr. Farr, for any opening statements that he may have.

OPENING STATEMENT—MR. FARR

Mr. FARR. Thank you, our very distinguished chairman.

I really do not have any opening remarks. I just wanted to make a comment. One, thank you all for your public service. It is a big agency that you are in, and it covers essentially the globe with all the issues and the trading issues that we have to deal with, Food for Peace and other things.

It is a joy to be on this Committee that deals with so much of the infrastructure, sort of the social farming infrastructure of America and putting food on our table at the same time, trying to modernize and meet the goals of our new health policy, which is to keep Americans well by feeding them correctly and having them do proper exercise.

So even though those two parts are not part of your challenges, the underlying of getting food to market and getting it around the world and dealing with the economic ability to get access to farming and to sustain it and to grow is all your responsibility. So I share the comments with the chair, and I look forward to the questioning of the members of the panel.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you.

At this time, Mr. Scuse and Mr. Weller, we will now to turn to you for your opening statements. Of course your full statements will be included in the record, and so summarize, go over your talking points that you want to make clear to the subcommittee however you feel best, and we will begin with you, Mr. Scuse to begin with this morning for your opening statement.

OPENING STATEMENT—MR. SCUSE

Mr. SCUSE. Thank you, Mr. Chairman and members of the subcommittee. I am pleased to be with you today to present our 2015 budget and program proposals for the Farm and Foreign Agricultural Services.

I am accompanied by the Administrators of the Risk Management Agency, the Foreign Agricultural Service, the Farm Service

Agency, and the Chief of Natural Resources Conservation Service. We are also accompanied by Michael Young, the Director of Office of Budget and Program Analysis.

We appreciate the difficulties of today's budget environment and the need to reduce our Federal deficit. We have developed proposals that will streamline our operations, we believe, improve efficiencies and reduce our administrative costs.

The Farm Service Agency, the budget request for discretionary salaries and expenses is $1.4 billion, a decrease of $39 million since last year. This request reflects our continued commitment to achieving cost savings and increased efficiencies while providing farmers and ranchers with the highest level of customer service.

FSA is beginning to take steps towards reshaping and restructuring its workforce and county office footprint. This effort will be achieved through implementation of the new Model Service Center concept that the agency has been developing. The goal of this concept is to modernize and consolidate the way service is delivered in order to achieve efficiencies and cost savings that will allow us to more effectively manage future budget challenges.

FSA provides a broad range of services for American agriculture, disaster assistance, income support payments, marketing assistance loans, and certain conservation programs and a variety of direct loans and loan guarantees.

For the Farm Credit Program, the budget proposes a program level of about $6.4 billion, an increase of more than $1.8 billion from 2013, at a subsidy cost that is about $12 million less. The request reflects the ongoing credit needs of beginning and minority farmers. For the 2013 crop year, the Risk Management Agency through the Federal Crop Insurance Program provided a record $124 billion in protection on another record 295 million acres of farmland, which includes pasture, rangeland, and forage. Our current projections for 2014 crop year are that liabilities will decline to about $105 billion, largely as a result of lower commodity price projections.

For salaries and expenses of RMA, the budget requests $77 million to support 467 employees compared to 2010's $80 million appropriation that supported 528 employees. That is a reduction of about four percent and 12 percent, respectively.

The Foreign Agricultural Service leads the Department's efforts to expand and preserve overseas markets and foster global food security. The budget provides $183 million for FAS salaries and expenses, about $3 million below 2011.

For trade expansion and promotion activities, the budget includes $200 million for a Market Access Program, $34.5 billion for the Foreign Market Development Program, and $10 million for Emerging Markets Program, and $9 million for the Technical Assistance for Specialty Crops.

For international food aid, the budget includes $185 million for McGovern-Dole; $240 million for Food for Progress; and Public Law 480, Title II, the budget provides $1.4 billion.

Mr. Chairman, again, I thank you and the members for the opportunity to present our 2015 budget and program proposals, and it would be a pleasure to answer any questions that you and members of the subcommittee may have at this time.

[The information follows:]

Statement by Michael T. Scuse
Under Secretary for
Farm and Foreign Agricultural Services
Before the House Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you today in order to present the 2015 Budget and program proposals for the Farm and Foreign Agricultural Services (FFAS) mission area of the Department of Agriculture (USDA). I am accompanied by the Administrators of the three agencies that comprise our mission area: Brandon Willis, Administrator of the Risk Management Agency; Phil Karsting, Administrator of the Foreign Agricultural Service; and Juan Garcia, Administrator of the Farm Service Agency. We also are accompanied by Michael Young, Director of the Office of Budget and Program Analysis, and Jason Weller, Chief of the Natural Resources Conservation Service.

Statements by each of the Administrators and the NRCS Chief providing details on the agencies' budget and program proposals for 2015 have been submitted to the Committee. My statement will summarize the FFAS agency proposals, after which we will be pleased to respond to your questions.

The FFAS mission area carries out a diverse array of programs and services that support a competitive agricultural system and provide the foundation for prosperity throughout rural America. Income support, farm credit assistance, disaster programs, conservation and environmental incentives, risk management tools, and trade expansion and export promotion–provide a critical safety net for our producers and have spurred record exports. The importance of this safety net has been apparent particularly during the recent drought years.

Today, American agriculture is strong, with record income and exports over the past four years. During that period, our mission area has worked hard to do more with less, to manage current and future budget challenges, and to ensure that critical investments in rural America

continue. USDA has made substantial gains in extending credit opportunities for farmers. The 2015 Budget supports an estimated 40,000 farmers and ranchers by financing operating cost expenses and providing opportunities to acquire a farm, or keep an existing one. Approximately 85 percent of the funding will be targeted to new and beginning farmers and ranchers, including our nation's veterans. Crop insurance continues to be the critical tool used to protect producers from natural disasters, as well as the risk of price fluctuations. FFAS has expanded crop insurance to more than 400 crop types and provided risk management opportunities to specialty crops and organic crops. On April 15, we will start sign-up for the four permanent disaster programs. These programs are retroactive to October 1, 2011 and we are expecting over $1 billion in losses to be paid retroactively, largely due to significant drought losses in 2012 and the 2013 Atlas blizzard in South Dakota.

For 2015, we will improve our capacity to help producers and rural communities that we serve. We will continue efforts to modernize the farm program delivery system through a model service center concept to ensure offices are strategically located and have adequate staffing and equipment to strengthen services to producers. The FY 2015 Budget includes $5 million in savings from the consolidation of Farm Service Agency county offices which will be re-invested in the modernization effort.

Farm Service Agency

FSA provides producers with a broad range of services, such as farm ownership and operating loans, disaster assistance, income support payments, commodity marketing assistance loans, and certain conservation programs, such as the Conservation Reserve Program (CRP). FSA administers discretionary programs as well as mandatory programs that are funded through the Commodity Credit Corporation (CCC).

The Agricultural Act of 2014 (the 2014 Farm Bill) was signed on February 7, 2014, and we are quickly moving forward with its implementation. The Farm Bill repeals certain FSA programs, continues others with modification, and authorizes several new programs. Most are authorized and funded through 2018. We are taking important steps to modernize

our operations to operate within the current budget and will increase efficiencies to help us meet our goals in implementing the 2014 Farm Bill. This is a top priority for the agency.

Salaries and Expenses

The FY 2015 Budget requests $1.449 billion from appropriated sources for Salaries and Expenses, including credit reform transfers. FSA Federal and non-Federal staff year usage totaled 11,942 at the end of FY 2013 and over 80 percent of these are in State and County Offices. This represents a 5 percent reduction in FSA's staff levels from FY 2012. Over the last several years, we've reduced our workforce by 20 percent.

Over the coming years, FSA will be challenged by the need to implement 2014 Farm Bill policies under tight timeframes while taking steps to continue to reshape and restructure our workforce and county office footprint. Our goals will be achieved through implementation of the new Model Service Center concept that the agency is developing. We will modernize and consolidate the way service is delivered in order to achieve efficiencies and consolidate offices with limited to no impact to customer service levels. The President's Budget includes a proposal to consolidate 250 field offices. However, there are steps that need to be taken to reshape and restructure our county offices and workforce before we can begin actively planning any office consolidation plan. So far, the agency has not identified any specific offices for closure and implementation of these changes will carry over beyond FY 2015. FSA is proposing to reduce non-federal staff by 815 FTEs, saving $61.6 million, and realigning approximately 300 federal headquarters and state office oversight staff to the county offices, saving $6.8 million.

To promote increased efficiency, the IT request includes base funding to continue contract services that support modernization, development and maintenance of applications systems, and deployment support (e.g. data and database administration, testing and certification, and security). These funds will enable FSA to maintain essential program

delivery and operations in the field, as well as provide support for improvements. This funding includes 65.0 million for MIDAS.

Commodity Credit Corporation

The farm commodity price and income support programs are financed through the CCC, a Government corporation for which FSA provides operating personnel. CCC also provides funding for conservation programs, including the Conservation Reserve Program (CRP) and certain programs administered by the Natural Resources Conservation Service. CCC also funds some export promotion and foreign food aid activities administered by FAS. These mandatory programs were reauthorized by provisions of the 2014 Farm Bill.

CCC FY 2015 baseline expenditures are projected to be $4.9 billion, a decrease from approximately $9.7 billion forecast for FY 2014, which is primarily due to the repeal of Direct Payments. In FY 2013, $9.2 billion was expended, roughly the average CCC expenditure under the 2008 Farm Bill.

Conservation Reserve Program (CRP)

CRP is a voluntary program that provides annual rental payments and cost-share assistance to agricultural producers in return for establishing long-term plant cover on highly erodible and other environmentally sensitive farmland. CRP assists farm owners and operators to conserve and improve soil, water, air, and wildlife resources. Since CRP began in 1985, over eight billion tons of soil has been prevented from eroding, with an estimated 280 million tons in 2012 alone. Approximately 200,000 stream miles are protected with CRP riparian and grass buffers.

CRP continues through 2018 with an incremental decreasing annual enrolled acreage cap—from 32 million acres under the 2008 farm bill to 24 million acres beginning in fiscal year 2017. The eligibility criteria are changed to allow enrollment of grasslands that had been eligible

under the Grassland Reserve Program, which was repealed. Grassland enrollment is capped at 2 million acres. Currently, 25.6 million acres are under contract, including 19.8 million acres under general signup and 5.8 million acres under continuous signup. CRP contracts on 2 million acres are set to expire September 30, 2014. Given the reduced enrollment caps, we expect general signups to become much more competitive in the future, which will likely increase the environmental benefits on a per-acre basis. We will also continue to pursue continuous signup options to target the most environmentally sensitive acreage.

Farm Loan Programs

FSA plays a critical role for our Nation's agricultural producers by providing a variety of direct loans and loan guarantees to farm families who would otherwise be unable to obtain the credit they need to continue their farming operations. A substantial portion of the direct and guaranteed loan funds are reserved each year to assist beginning, limited resource, and socially disadvantaged farmers and ranchers. In 2012, 70 percent of direct loan funds went to beginning farmers. To further assist small and socially disadvantaged farmers, FSA has implemented a streamlined microloan program, under the authorities of the direct operating loan program.

The 2015 Budget proposes a total program level of about $6.4 billion. Of this total, nearly $2.9 billion is requested for direct loans and about $3.5 billion for guaranteed loans offered in cooperation with private lenders. Due to the excellent performance of the farm loans portfolio, we will be able to provide this level of assistance with just $81 million in budget authority. With this funding, we will be able to serve about 40,000 farmers and ranchers.

Risk Management Agency

The Federal crop insurance program represents a vital risk-mitigation tool available to our Nation's agricultural producers. It provides risk management tools that are market driven

and reflect the diversity of the agricultural sector, including specialty crops, organic agriculture, forage and rangeland, as well as traditional row crops.

Over its 76 year history, the value of the Federal crop insurance program to American agriculture has grown. In FY 2013, the crop insurance program provided coverage on more than 295 million acres of farm and ranch land and protected nearly $124 billion of agricultural production. This represents over a 10-fold increase from the $11 billion in crop insurance protection provided just two decades ago. We currently project that indemnity payments to producers on their 2013 crops will be just under $12 billion on a premium volume of about $12 billion. Our current projection for the 2014 crop year shows the value of protection will decline, to about $83 billion. The decline is based on the Department's estimates of planted acreage and expected changes in market prices for the major agricultural crops.

The 2015 Budget requests an appropriation of "such sums as are necessary" as mandatory spending for all costs associated with the program, except for Federal Salaries and Expenses. This level of funding will provide the necessary resources to meet program expenses at whatever level of coverage producers choose to purchase. In addition to that, the 2015 Budget includes proposals to reduce premium subsidies to farmers, as well as crop insurance companies. These proposals will modify the structure of the crop insurance program so that it is less costly to the taxpayer yet still provides a quality safety net for farmers. Collectively, these proposals are expected to save $14 billion over 10 years. For Salaries and Expenses of the RMA, $77 million in discretionary spending is proposed to support 467 employees.

Foreign Agricultural Service

Agricultural trade significantly contributes to the prosperity of local and regional economies across rural America through increased sales and higher commodity prices. USDA estimates that every $1 billion of agricultural exports generates $1.3 billion in economic activity and supports 6,600 American jobs throughout the economy. The Department plays an important role to remove agricultural trade barriers, develop new markets, and enhance the competitive position of U.S. agriculture in the world marketplace.

U.S. farm exports reached $140.9 billion in FY 2013, the highest total on record, and the agricultural trade surplus reached $37.1 billion. The FY 2014 forecast for U.S. agricultural exports was recently revised to $142.6 billion. In 2014, agricultural exports are expected to contribute a positive trade balance of $32.6 billion to the Nation's economy. For U.S. agriculture to continue to thrive, we must continue to open, expand, and maintain access to foreign markets, where 95 percent of the world's consumers live.

Fiscal years 2009 through 2013 represent the strongest five years in history for agricultural trade. To achieve this, USDA worked with the Office of the U.S. Trade Representative, the Department of Commerce, the White House, Congress and industry stakeholders to gain approval for new trade agreements with Panama, Colombia, and South Korea. In FY 2013, combined agricultural exports to these countries reached $7.3 billion, supporting almost 50,000 American jobs.

Today, FAS trade negotiators are involved in two major negotiations: the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP). The TPP is an opportunity to shape a high-standard trade agreement in a region that represents more than 40 percent of global trade. Key objectives in the TTIP negotiations are to eliminate duties on agricultural goods and eliminate or reduce trade distorting non-tariff barriers between the United States and the European Union, currently our fifth largest agricultural export market. Expanding markets abroad creates more jobs and boosts the bottom line for companies all along the supply chain.

To help bring about the conclusion and approval of TPP and TTIP, FAS is working with Congress to support passage of Trade Promotion Authority (TPA). Through TPA, Congress outlines high standard objectives and priorities for U.S. negotiators, which helps build consensus on U.S. trade policy. Updating TPA will show our Asian and European trading partners that U.S. negotiators have the support of Congress when they call for greater ambition and stronger, high standard agreements that will knock down trade barriers to markets representing two-thirds of the global economy.

As we work to open new and maintain existing markets overseas, we face many challenges and barriers that must be addressed. In the past year, FAS and has been instrumental in resolving numerous sanitary, phytosanitary and technical barriers to trade. USDA efforts to remove trade barriers led to billions of dollars in additional U.S. exports around the world in FY 2013. U.S. beef exports to Mexico, Japan, and Hong Kong grew to nearly $2.8 billion after substantial market openings last year. USDA efforts were instrumental in convincing the European Union to begin permitting the use of lactic acid on beef carcasses as a pathogen reduction treatment last year. U.S. beef exports to the European Union reached a record $217 million in fiscal year 2013. Potato exports to several Asian countries are up 13 percent due to FAS assistance to open and expand market access.

The FFAS mission area also makes a significant contribution to the Department's strategic goal of enhancing global food security. Through foreign food assistance, technical assistance, training, and capacity building activities, we are working closely with other U.S. departments and agencies to address global food insecurity. USDA is well positioned to encourage the adoption of new technologies and production practices that can help increase the availability of food and improve its marketing and distribution.

Salaries and Expenses

FAS is the lead agency for the Department's international activities and is in the forefront of our efforts to expand and preserve overseas markets and foster global food security. FAS carries out its activities through a network of 96 overseas offices and its headquarters staff here in Washington. FAS overseas staff represents American agricultural interests world-wide.

The 2015 Budget is designed to ensure that FAS has the resources needed to continue to represent and advocate on behalf of American agriculture on a global basis and to create new market opportunities overseas. The budget provides a program level of $183 million. This level of funding is expected to be sufficient to maintain the agency's overseas presence near current levels. The Budget reflects FAS implementation of measures to increase efficiency.

In FY 2012, under the *Blueprint for Stronger Service*, FAS closed two overseas offices. The 2015 Budget provides an increase of $2.8 million for higher operating costs at the agency's overseas posts, including increased payments to the State Department for administrative and security services provided at overseas posts. FAS has no administrative staff overseas and, therefore, relies on the State Department for those services.

International Food Assistance

For the McGovern-Dole International Food for Education and Child Nutrition Program, the 2015 Budget provides funding of $185 million. The requested level is expected to assist more than 4 million women and children during 2015. About 28 million children throughout the world have now received benefits from the McGovern-Dole program.

The Budget proposes $1.4 billion for P.L. 480 Title II international food assistance in FY 2015. The request includes new authority to use up to 25 percent ($350 million) of the P.L. 480 Title II appropriation in emergencies for interventions such as local or regional procurement of agricultural commodities near crises, food vouchers, or cash transfers. This flexibility will allow food aid to reach those in dire need more quickly and efficiently. About two million more people annually will be assisted with the same level of resources due to cost savings.

Food assistance will also be provided through the Food for Progress program that FAS administers. The 2015 Budget includes an estimated program level of $240 million for this CCC-funded program, which supports the adoption of free enterprise reforms in the agricultural economies of developing countries.

Export Promotion and Market Development Activities

The CCC Export Credit Guarantee programs (GSM-102 and Facilities Guarantee) provide payment guarantees for the commercial financing of U.S. agricultural exports. The guarantees facilitate sales to buyers in countries where credit is necessary to maintain or increase U.S. sales. For FY 2015, the budget includes a program level of $5.5 billion for the CCC export credit guarantee programs.

For the foreign market development programs, the CCC budget includes a program level of $200 million for the Market Access Program, $34.5 million for the Foreign Market Development Program, $10 million for the Emerging Markets Program, and $9 million for the Technical Assistance for Specialty Crops Program. These programs, in partnership with private sector cooperator organizations, support the development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities and products.

Mr. Chairman, this concludes my statement. Thank you for the opportunity to present our 2015 Budget and program proposals. The Administrators and I would be pleased to answer any questions you and other members of the Committee may have.

RISK MANAGEMENT AGENCY
FEDERAL CROP INSURANCE CORPORATION

Statement of Brandon Willis, Administrator
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

Chairman Aderholt, Ranking Member Farr and members of the Subcommittee, I am pleased to discuss the 2015 budget for the Risk Management Agency (RMA) and the Federal Crop Insurance program. The crop insurance program is vibrant and strong and continues to be a critical part of our nation's farm safety net. As proven by recent events, our program is especially critical during years in which there are natural disasters that cause widespread losses. However, the Administration believes that the program can be modified to reduce the burden on taxpayers while helping to ensure that crop insurance remains a significant part of the safety net for producers.

With that said, I would like to take a moment to praise the work of the RMA staff and crop insurance companies across the United States for their tremendous efforts in responding to our customers by providing over $11 billion in indemnity payments for crop and livestock losses. Through their combined efforts, appraisals and claims adjustments were made in a timely manner, indemnities were promptly paid, and farmers were able to complete the process smoothly despite the large number of claims.

This past year RMA focused primarily upon two areas: program integrity and expanding risk management tools to producers who need them. First, we continue our efforts to improve program integrity. Our data mining program has been credited with preempting millions of dollars in improper payments, and we are looking at new ways to use data mining to protect taxpayer resources. Second, RMA works to expand crop insurance to additional producers, crops, and regions. RMA has made great strides to increase coverage over the last two decades. Through some of the provisions of the recently passed Farm Bill, RMA will close coverage gaps

even further. This will help ensure that one unfortunate weather event will not put a family farm that has been producing our food out of business, nor stop the work of new and beginning farmers who are in the critical stages of becoming the next generation to provide an adequate food supply for our nation. We work to administer the Federal crop insurance program in a manner that provides effective risk management opportunities to farmers and ranchers in all geographic areas regardless of the size of their operation.

STATUS OF THE FEDERAL CROP INSURANCE PROGRAM

For 2013, the Federal crop insurance program provided approximately 1.2 million policies on nearly 295 million acres, providing over $124 billion in risk protection. Of about $12 billion in total premiums, USDA provided $7.3 billion to help assist farmers and ranchers who contributed $4.5 billion of their own dollars. To date just under $12 billion has been paid in claims for lost and damaged crops.

Producers generally have a choice of crop policies with coverage they can tailor to best fit their risk management needs. In many cases, producers can buy insurance coverage for a yield loss, or revenue protection to provide coverage for a decline in yield or price. Today, most producers purchase "buy up" higher levels of coverage ranging up to 85 percent, while some participate in the catastrophic level of coverage available for a nominal fee. Indemnity payments are usually made within 30 days after the producer signs the claim form.

The Federal crop insurance program has seen an ever-increasing proportion of acres insured at "buy up" levels over the last decade. In addition, producers continue to move towards purchasing more comprehensive plans of revenue coverage. In 2013, revenue coverage accounted for 65 percent of the insured acres, compared to just 33 percent in 2000. In addition, the average coverage level (percent of the total crop covered) for "buy up" insurance has increased to approximately 74 percent for 2013, compared to 68 percent in 2000. Producers also have their choice of livestock programs, which are designed to insure against declining market prices or declining margins. Coverage in these programs is determined using futures and options prices from the Chicago Mercantile Exchange Group.

In 2013, Federal crop insurance was available for approximately 130 crops and 425 crop types plus livestock, in over 3,141 counties covering all 50 States and Puerto Rico. RMA maintained a participation rate of nearly 85 percent for the ten principal crops in 2013. Many banks now require crop insurance coverage in order to approve operating loans to producers, a critical program feature at a time of high crop input prices. Federal crop insurance has become integral to financial planning for many farmers and is especially important in these times of economic uncertainty coupled with volatile weather conditions.

RMA and private entities under the authority provided in section 508(h) of the Federal Crop Insurance Act, have worked to expand the availability of crop insurance coverage to a more agriculturally diverse population. Over the past two years, the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) has approved numerous product submissions including:

- Annual Forage to cover a lack of rainfall during a specific period of time;
- Trend Actual Production History was expanded to more areas and more crops broadening the option for growers to adjust their Actual Production History (APH) to account for long-term yield trends to better reflect their true productive potential;
- Specialty Canola to reflect higher contract pricing for the Spring High Oleic Canola type;
- Specialty Corn to reflect higher contract pricing for the High Amylase Corn types;
- Specialty Trait Soybean coverage, expansion to additional soybean types allowing more producers to insure using their contract price for insurance purposes; and
- APH Machine Harvested Cucumbers, a new plan of insurance for cucumber growers.

In addition to the new products, RMA has contracted to develop new or improved insurance programs for Actual Revenue Tart Cherries. At the request of growers, RMA expanded silage Sorghum insurance, and made changes to the Florida Citrus Fruit and Pecan Revenue to better serve producers. And as part of the Farm Bill, RMA initiated efforts early on to improve whole farm insurance coverage.

RMA is also working to better incorporate precision agriculture into Federal crop insurance procedures by allowing producers to use their acreage, yield and precision agriculture data records

to report production history, acreage report information, and assist in loss adjustment determinations.

Also effective for the 2014 crops, RMA worked jointly with the Natural Resources Conservation Service and the Farm Service Agency to standardize USDA policies with regard to the use of cover crops by producers to improve soil health and prevent erosion. This change allows producers who plant cover crops consistent with NRCS guidelines to remain eligible for crop insurance.

I am pleased to report that independent auditors reported a clean audit opinion to the Office of Inspector General for RMA and FCIC for fiscal years 2012 and 2013. This report contains an unqualified opinion on the financial statement as well as an assessment of RMA's internal controls over financial reporting and compliance with laws and regulations.

OVERVIEW OF THE 2015 RMA BUDGET PROPOSAL

The 2015 budget requests $8.7 billion for the Federal Crop Insurance Corporation (FCIC) and $77 million for RMA salaries and expenses. This reflects a decrease of approximately $1.3 billion over 2014 levels which includes: decreases of $1.1 billion in premium subsidy and $281 million in underwriting gains, as well as increases of $19 million in delivery expenses. The funding for RMA salaries and expenses for 2015 reflects an increase of $5 million above the 2014 enacted level.

The funding request has incorporated the most recent changes from the Agricultural Act of 2014 (Farm Bill), including new programs like the Stacked Income Protection Plan (STAX) and the Supplemental Coverage Option (SCO), beginning farmer provisions, and development of a whole farm policy.

The budget proposes legislation for five significant Federal crop insurance policy changes that will result in a savings of $692 million in the FCIC budget in 2015 and about $14 billion over 10 years. Of the 10 year savings, about $9.5 billion would be additional costs to producers for the protection they purchase, and about $4.7 billion would be reduced payments to the insurance companies.

The proposals provide a balanced approach by reducing payments to insurance companies as well as the premium subsidies paid on behalf of producers. The proposals will help to ensure that crop insurance remains a significant part of the safety net for producers while reducing the burden on taxpayers.

The proposed legislation focuses on the following five elements:

First, the budget proposal seeks to establish a reasonable return to participating crop insurance companies. A USDA commissioned study found that when compared to other private companies, crop insurance companies' return on retained premium should be around 12 percent, but that it is currently expected to be 14 percent. Therefore, the Administration is proposing to lower the crop insurance companies' return to meet the 12 percent target. Crop insurance companies have earned over $10 billion in underwriting gains over the past 10 years even after the 2012 drought is considered. This proposal is expected to save about $1.2 billion over 10 years through reduced payments to insurance companies.

Second, the budget proposal seeks to reduce the reimbursable rate of administrative and operating expenses. The current cap on administrative expenses is based on 2010 premiums, which were among the highest ever. An appropriate level for the cap would be based on 2006 premiums, neutralizing the spike in commodity prices over the recent years, but not harming the delivery system. This proposal would reduce the cap on administrative and operating expenses from the current level of approximately $1.3 billion annually to approximately $900 million, adjusting for inflation. This proposal is expected to save about $2.9 billion over 10 years through reduced payments to insurance companies.

Third, this budget proposal seeks to decrease the premium subsidy paid on behalf of producers by 3 percentage points for policies currently subsidized by more than 50 percent. However, catastrophic coverage will remain 100 percent subsidized. This proposal is expected to save about $3.8 billion over 10 years. Of this amount, about $3.6 billion is reduced subsidies to producers and $200 million are reduced payments to the insurance companies.

Fourth, this budget proposal seeks to decrease the premium subsidy paid on behalf of producers by 4 percentage points on policies where the producer elects a policy that provides protection

against price increase. This reduction is in addition to the 3 percentage point reduction on policies currently subsidized by more than 50 percent. These policies provide price protection if commodity prices are higher at harvest time than when the policy was purchased, which can result in higher indemnities. The ability to have increased harvest price coverage seamlessly integrated into a crop insurance policy presents a convenience that approximates certain revenue protections available through private sector markets. This proposal asks producers to pay a bit more in exchange for the convenience the policy provides. The proposal is expected to save about $6.3 billion over 10 years. Of this amount, about $5.9 billion is reduced subsidies to producers and $400 million is reduced payments to the insurance companies.

Finally, this budget proposal seeks to rescind the authority for funding of a pilot program for Wild Salmon. This proposal is expected to save about $10 million over 10 years.

CONCLUSION

I am pleased to report that in 2013 the Federal crop insurance program functioned as intended by providing timely assistance to producers following various pockets of anomalous weather events across the country. The indemnity payments did not make them whole, nor did it provide these producers with the income they would have earned had their crops not been destroyed, but it helped producers stay in business another year and continue to provide a reliable and abundant food supply. It also benefited those outside of agriculture by adding stability to lenders, and agri-businesses. It will benefit all consumers in the long run by providing the stability that allows America's producers to continue to invest in their farms and ranches so that they can continue to be the most efficient producers in the world. Again, thank you for inviting us here today and I look forward to working with you.

Mr. Chairman, I would be pleased to answer any questions that you and other Members of the Subcommittee may have. Thank you.

FOREIGN AGRICULTURAL SERVICE

Statement of Phil Karsting, Administrator
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to report on the accomplishments of the Foreign Agricultural Service (FAS) and to present the President's Budget request for FAS programs in fiscal year (FY) 2015.

INTRODUCTION

In an Osaka, Japan supermarket, a bounty of U.S. agricultural products lines the shelves: strawberries, table grapes, citrus, prunes, celery, pomegranates, peanuts, almonds, pork, and beef.

At an Indonesian port, U.S. soybeans enter a $1 billion dollar market unencumbered by proposed regulations, recently canceled.

Along the Serengeti border in northern Tanzania, the daughter of a nomadic herder sits down to a school lunch of rice and beans supplemented with locally grown vegetables from the garden at a McGovern-Dole International Food for Education Program site.

These snapshots illustrate the results of the work conducted by the Foreign Agricultural Service, in conjunction with the resourceful U.S. agricultural community, our food aid and capacity building partners, and the resources provided by the U.S. Congress.

In calendar year 2013, exports of U.S. food and agricultural products reached a record $144.1 billion and supported nearly one million American jobs. FAS' global network of agricultural economists, marketing experts, negotiators, and trade specialists in Washington, D.C. and 96 international offices that cover 160 countries are proud that their efforts helped facilitate this achievement. We are on track for another exceptional export year in FY 2014, with

shipments of farm and food products forecasted to reach $142.6 billion. For FY 2015, we are asking for $183 million for salaries and expenses to continue our efforts to expand export opportunities, reduce barriers to trade, and promote global food security. We also are seeking $185 million in funding for the McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole) program for FY 2015. In 2013, USDA completed its 11th year of McGovern-Dole programming, which has provided benefits to about 28 million children in 37 countries throughout the world.

THE ROLE OF THE FOREIGN AGRICULTURAL SERVICE

FAS is USDA's lead agency for developing international markets, providing export financing, negotiating trade agreements, and conducting food aid and technical capacity building efforts that enhance U.S. agricultural exports. FAS attachés and counselors at U.S. Embassies and Agricultural Trade Offices are American agriculture's global envoys, providing real-time information on emerging trade and marketing issues, resolving issues that interrupt trade, bringing buyers and sellers together, averting problems before they impede exports, and building the capacity of potential trading partners. FAS' targeted trade missions and support for trade shows match U.S. agricultural exporters with buyers around the world.

FAS plays a critical role in USDA's efforts to collect, analyze, and evaluate global market intelligence and data for U.S. agriculture. The FAS database on global agricultural production and use is the most comprehensive and highly regarded in the world. Policymakers' ability to make sound decisions is dependent on the quality of the analysis conducted by FAS agricultural economists. U.S. exporters rely on this information to develop domestic and international programs and make key business decisions.

At FAS, our success is a direct result of our people forging relationships across political and cultural boundaries, negotiating in challenging and complex situations, assessing market opportunities, and promoting pro-trade institutions and policies.

OPENING MARKETS THROUGH TRADE AGREEMENTS

Today, FAS trade negotiators hold seats at the table for U.S. agriculture in two major negotiations, the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (T-TIP). FAS experts are an integral part of the negotiating team led by the Office of the U.S. Trade Representative (USTR) and USDA's economic analysis underpins the negotiating strategy on agriculture. The TPP and T-TIP are opportunities to address not only market access commitments, but also non-tariff, sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) that impede our agricultural exports. Once these agreements are in place, the United States will enjoy unfettered access to markets representing two-thirds of the global economy.

In pursuit of job-supporting trade opportunities, the Administration is working to conclude negotiation of the TPP in 2014. Growth in purchasing power in the large and growing markets of the Asia-Pacific region is fueling demand for high-quality U.S. agricultural exports. A TPP agreement would reduce existing tariff and non-tariff obstacles. Today, Japan's average agricultural tariff is 40 percent, while U.S. agricultural tariffs average only 12 percent. TPP SPS commitments will provide improved access for U.S. commodities including, meat, fresh fruit and vegetables, and processed foods, that currently face trade-restrictive SPS barriers in Australia, Japan, Vietnam, and other TPP countries.

This year, we expect to make significant progress in the T-TIP negotiations with the European Union. We are seeking to eliminate tariffs on exports of U.S agricultural products. Examples of the EU's current high tariffs on U.S. agriculture include: dairy products including cheese and milk powders (60 percent), beef (100 percent), wine (23 percent), dried cranberries (17.6 percent), strawberries (17.6 percent), and high-value, processed foods (25 percent average). T-TIP also offers an historic opportunity to modernize trade rules and to bridge divergences in our respective regulatory and standards systems. Through the T-TIP we are seeking meaningful market access that includes commitments from the EU to base SPS measures on international standards and scientific risk assessments.

To facilitate the conclusion and approval of these market-opening agreements, we are working with Congress to support broad bipartisan passage of Trade Promotion Authority

(TPA). TPA is an important part of the Administration's larger strategy of increasing U.S. exports and global economic competitiveness and it sends a signal to our trading partners that Congress and the Administration stand together on the high standards our negotiators are seeking at trade talks.

ENSURING FULL AND FAIR IMPLEMENTATION OF TRADE AGREEMENTS

The Korea-U.S. Free Trade Agreement (KORUS), and the U.S.-Colombia and U.S.-Panama Trade Promotion Agreements entered into force in 2012. FAS staff facilitated implementation by each country of new tariff schedules, tariff-rate quotas (TRQs), and SPS commitments. Agricultural exports to those countries in FY 2013 reached $7.3 billion, supporting almost 50,000 American jobs.

U.S. agricultural exports to Korea exceeded $5.2 billion in FY 2013, making it our sixth-largest market. Under KORUS, many U.S. agricultural exports experienced large gains last year, including soybeans and soybean meal, tree nuts, and fresh fruit.

U.S. agricultural exports to Colombia topped $1.4 billion in FY 2013, and were almost 70 percent higher than FY 2012. U.S. rice shipments to Colombia reached more than $95 million in FY 2013; and soybean and soybean meal exports rose from less than $93 million to more than $260 million in FY 2013. FAS trained Colombian government officials on TRQ administration and we monitor TRQ fill rates to ensure U.S. exporters enjoy all the benefits of the agreement.

For Panama, U.S. agricultural exports increased to over $585 million in FY 2013, up nine percent from FY 2012. Nearly half of current U.S. agricultural exports received immediate duty-free treatment and another third received lower tariffs in 2013.

RESOLVING SPS and TBT BARRIERS

In the past year, FAS personnel have been instrumental in resolving numerous SPS and technical barriers to trade.

A major success in reducing SPS barriers is the expanded market access gained for U.S. beef in Mexico, Japan, and Hong Kong. U.S. beef exports to these markets grew to nearly $2.8 billion in FY 2013 following substantial market openings. Total exports of beef and beef products in FY 2013 reached an all-time high of $5.9 billion. USDA efforts were instrumental in obtaining a decision last May from the World Organization for Animal Health (OIE) to grant the United States negligible risk status for BSE. We are diligently pressing all our trading partners to align their import requirements with OIE.

Technical barriers to trade (TBT), such as testing, certification, labeling, and packaging requirements, frequently impede U.S. agricultural exports. FAS experts work tirelessly to address these barriers. For example, FAS assistance opened and expanded market access for U.S. potatoes in several Asian countries in FY 2013. The Philippines approved the entry of U.S. fresh table-stock potatoes, Taiwan approved the import of fresh potatoes from Colorado, and Korea lifted a suspension on Idaho, Oregon, and Washington chipping potatoes. The Korea success resulted from close collaboration between FAS, USDA's Animal and Plant Health Inspection Service, and the U.S. industry to develop mitigation measures. In FY 2013, potato exports to these Asian countries reached nearly $21 million, up 13 percent from FY 2012.

IMPORTANCE OF FAS LOCAL PRESENCE IN OVERSEAS MARKETS

Part of the story behind FY 2013's record U.S. agricultural exports is the assistance that FAS offices around the world provide to U.S. exporters to help them navigate local requirements, identify new opportunities, and resolve in-transit hiccups. In 2013 alone, FAS negotiated the release of hundreds of detained shipments in dozens of countries, valued at well over $34 million; ranging from California almonds in Poland, to Nebraska beef in Chile, to Maine lobsters in Taiwan, to Georgia poultry in the United Arab Emirates.

Recently, FAS Istanbul worked with the Georgia Pecan Growers Association to produce a marketing program to introduce Georgia pecans to the Turkish consumers. The importers believe that an initial shipment will spur future sales, making Georgia pecans part of Turkish product lines, including traditional Turkish desserts like baklava.

BUDGET REQUEST: Salaries and Operating Costs, and Programs with Examples

The 2015 Budget provides a funding level of $182.6 million for salaries and expenses to maintain the FAS' overseas presence near current levels and to continue our core activities: trade promotion, trade policy, capacity building, and food security. The Budget reflects our continuing focus in identifying efficiencies in operations.

FAS has implemented significant measures to increase organizational discipline, efficiency, and accountability. This focus has realized cost savings in organization-wide services such as contracting, IT support, and human resources. For example, we finalized a multi-year restructuring of FAS' IT division that reduces staffing needs by 42 percent as FAS moved to a "services instead of assets" IT model enabling a streamlining of the organization from five first line supervisors to two. We have revolutionized agency financial management with scores of improved operating procedures, clarified our domestic and overseas financial operations, and provided management with more timely, accurate statements of FAS' overall financial condition. One improvement to our financial management operation was the development of a grant system, called Grantor. Grantor ties grants management to financial management in a systematized, integrated way. With improved operations, FAS can be more responsive to its workforce, build improved relationships with key agency stakeholders, and direct resources to better capitalize on opportunities for improved access to international markets for U.S. agriculture.

Market Development Programs

For 2015, the CCC baseline budget reflects a $200 million program level for the Market Access Program (MAP). The CCC baseline assumes funding for FAS' other CCC-funded market development programs as follows: $34 million for Foreign Market Development (FMD), $9 million for Technical Assistance for Specialty Crops (TASC), and $10 million for the Emerging Market Program (EMP). These programs were reauthorized in the 2014 Farm Bill.

Working with our agricultural cooperator partners, our MAP and FMD programs have been shown to be highly effective, increasing exports by $35 for every dollar of funds invested.

Last year, using MAP funding, the Organic Trade Association (OTA) sponsored a reverse trade mission for international buyers to attend the Natural Products Expo in Baltimore. Participants recruited for the Expo by OTA and FAS also included thirteen small and medium sized businesses from eight states, including Alabama and California. The international participants sponsored for the Expo by OTA and FAS included buyers from Hong Kong, Kuwait, Sweden, Thailand, the United Kingdom, and Vietnam. The buyers made an estimated $3.6 million in purchases at the Expo.

Southern yellow pine (wood) is gaining popularity in Europe and the Middle East due to MAP-funded promotional efforts by FAS staff in Germany and Southern Forest Products Association. At a 2013 trade fair in Germany, a manufacturer scored immediate success when matched with a wood broker who placed an initial order of $100,000. The wood was sourced from a small Alabama mill. Additionally, a German wholesale and retail chain contracted for orders that were sourced from small and medium-sized businesses, two mills and two lumber distributors, helping to protect about 200 rural Southern jobs.

Export Credit Guarantee Programs

The 2015 Budget reflects the statutory program level of $5.5 billion for CCC's export credit guarantees, of which, $5.4 billion will be made available for the GSM-102 program and $100 million for the Facility Guarantee Program. The 2013 GSM-102 program facilitated sales of a wide variety of agricultural commodities, including wheat, soybeans, corn, rice, poultry, and nuts. Guarantees were issued for orange and avocado sales to Korea, where these horticultural products are benefiting under the recent trade agreement. By skillfully targeting developing markets with the greatest potential for increased U.S. sales, managing risk, and aggressively recovering losses, FAS employees operated a 2013 program that supported $3.1 billion in exports.

Food Assistance and Capacity Building

FAS food aid and trade capacity building programs pave new avenues for trade and economic growth by establishing and strengthening market-oriented policies and structures in developing countries. FAS collaborates with other U.S. government agencies, land grant universities, and the private sector, to provide technical assistance and training in strategically-targeted countries. These programs build the foundation for future markets and create long-term international relationships that actively promote U.S. agriculture in developing countries.

The 2015 Budget proposes $185 million for the McGovern-Dole Program. The program is expected to assist four million women and children worldwide in 2015. The program provides U.S.-sourced agricultural commodities and technical assistance for school feeding and maternal and child nutrition projects in low-income, food-deficit countries that are committed to universal education. McGovern-Dole Programs are designed to "graduate" from reliance on USDA assistance and become self-sustaining with active involvement and support from the host government or local communities. In Kenya, USDA provided $20 million in FY 2013 for hot lunches for 650,000 primary and pre-school children each year for the next three years. The funds are also providing an early-morning, nutritious porridge, prepared from corn-soy blend, and a hot lunch to 52,500 pre-school children with high malnutrition rates. USDA is working with the Government of Kenya on capacity building activities that will enable Kenya to successfully take over the school meals program that is becoming one of the largest nationally-owned programs in East Africa. Approximately 50,000 students a year are now being transitioned from the USDA-supported project to the government school feeding program.

The 2015 Budget assumes $240 million in CCC funding for the Food for Progress (FFPr) program, which is expected to support approximately 180,000 metric tons of commodity assistance. The FFPr program provides for the donation of U.S. agricultural commodities to developing countries committed to free enterprise in the agricultural sector. For example, in FY 2013, FFPr is assisting Pakistan's first and only woman-owned cold storage facility, Safina Cold Store (SCS), with an in-kind grant of modern equipment and renovations, making it the first modern cold storage facility in the province. The Pakistan Agriculture and Cold Chain Development Project is a three-year FAS-supported project that is linking horticultural

production in southwest Pakistan -- an area widely known as the fruit basket of Pakistan -- to modern markets throughout the country. A significant percentage of the province's produce never reaches prime markets because necessary cold chain equipment and proper post-harvest handling practices are not in place. As a direct result of FAS assistance under this project, the remodeled storage facility will ensure that SCS and local subsistence farmers expand market opportunities by offering higher-quality fruits and vegetables that generate greater profits.

Training offered to researchers and policymakers from developing and middle-income countries under the Norman E. Borlaug International Agricultural Science and Technology Fellowship Program transfers knowledge that strengthens agriculture. For example, a Fellow from Indonesia and her mentors from Louisiana State University continued to collaborate following her 2011 fellowship on sweet potato cultivars resistant to environmental stress during postharvest handling and storage. Their research findings were published in the May 2013 Journal of the American Society for Horticultural Science. The research has important implications for reducing post-harvest losses and increasing productivity for sweet potato growers in both the United States and other parts of the world. A government official from Egypt participated in a Borlaug Fellowship Program hosted by Texas A&M University that increased understanding of the measures that USDA and the U.S. cotton industry have undertaken to eradicate Boll Weevil and prevent its spread within the United States. As a result, this Fellow was critical to Egypt's decision to lift its import ban on U.S. cotton, increasing U.S. cotton exports to that country from $11.6 million in 2010 to $34.4 million in 2013.

The Cochran Fellowship Program provided short-term training in the United States for 612 international participants from 65 countries in FY 2013. Fellows meet with U.S. agribusinesses, attend policy and food safety seminars, and receive training in market development, trade capacity building, and biotechnology. In 2013, four representatives from Thai grocery chains participated in a program focused on fresh produce procurement and marketing. As part of their fellowship they visited California, Washington, and Oregon where they met major produce exporters and growers. Following their participation in this program, they have reported purchasing fresh U.S. produce, specifically apples, grapes, cherries, and lettuce, valued at $42 million.

Public Law 480

The budget proposes $1.4 billion in funding in FY 2015 for the P.L. 480 Title II international food assistance program, administered by the U.S. Agency for International Development (USAID). The request includes $270 million for development programs in combination with an additional $80 million requested in the Development Assistance account under USAID's Community Development Fund, bringing the total funding for these types of programs to $350 million. Together, these resources support development food assistance programs' efforts to address chronic food insecurity in areas of recurrent crises, to reduce poverty, and build resilience. The balance of the Title II request, $1.13 billion, will be used to provide emergency food assistance in response to natural disasters and complex emergencies.

The request also includes new authority to use up to 25 percent ($350 million) of the P.L. 480 Title II appropriation in emergencies for interventions such as local or regional procurement of agricultural commodities near crises, food vouchers, or cash transfers. The additional flexibility makes emergency food aid more timely and cost effective, improving program efficiencies and performance and increasing the number of people assisted in emergency crises by about two million annually with the same level of resources.

CONCLUSION

With USDA's Foreign Agricultural Service FY 2015 Budget request, I pledge that the agency's employees will faithfully execute our mission, maximize opportunities for U.S. agricultural exporters, and deliver food aid and build agricultural capacity in developing countries. The funding you provide increases opportunity and prosperity in America and around the world.

Thank you.

FARM SERVICE AGENCY
Statement of Juan Garcia, Administrator
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations U.S. House of Representatives

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to provide information on Farm Service Agency (FSA) programs and funding. Our Fiscal Year (FY) 2015 Budget emphasizes our commitment to implement the 2014 Farm Bill, customer service, efficiency and continued investments in modernizing our operations to the benefit of farmers and ranchers.

AGENCY OPERATIONS

FSA delivers its programs through 2,124 county-level USDA Service Centers of which 2,088 are full-time offices and 36 are part-time offices, 50 State offices, and an office in Puerto Rico. FSA has headquarters offices in Washington, DC, Kansas City, Salt Lake City, and St. Louis. At the end of FY 2013, FSA's Federal staff year usage was 4,249. FSA non-Federal staff year usage in USDA Service Centers was 7,693. Total FSA staff year usage was 11,942, of which 9,667 were in State and county offices. This represents a 5 percent reduction in FSA's staff levels from FY 2012.

Since 2003, a farm bill implementation year with comparable programmatic changes, staffing levels at FSA have declined over 35 percent, a reduction of 6,331 employees.

Business Processes and Information Technology (IT)

FSA continues to make progress toward replacing outdated technology by developing more modern functionality and re-engineering old business processes. Both of these efforts will provide more timely and reliable delivery of benefits to producers. In FY 2014, we will reach our performance target of having 80 percent of our programs with web-enabled applications fully

transitioned to the web. The Noninsured Crop Disaster Assistance Program (NAP) and Conservation Program processes were successfully transitioned in FY 2013. Two programs remain to be transitioned off the AS-400 platform – the Farm Storage Facility Loan Program (FSFL) and the Marketing Assistance Loan Program (MAL).

Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) was chartered to provide a sustainable long term solution that will provide farmers, ranchers, and FSA employees with convenient access to farm programs. These improvements will equip FSA employees to deliver the farm programs of today and tomorrow, while keeping pace with the changing needs of the agricultural community.

MIDAS deployed Release 1, Farm Records, in April 2013, which established foundational data and processes allowing field offices to update farm, producer, and Common Land Unit records and prepare for taking acreage reports. The deployment also included farm records with GIS integration, producer information, and common commodity data. FSA continues to work to optimize Release 1 capabilities. Future releases will include functionality for acreage and inventory reporting, customer self-service, streamlined creation and maintenance of producer information and maintenance of historical information and report capabilities.

FSA has also completed the consolidation of geospatial data into a centralized database, eliminating dependency on outmoded servers and extending the GIS functionality for FSA's service center personnel. Together, GIS modernization and MIDAS enable FSA to enhance program delivery and support, allow for timelier implementation of programs, and allow for the integration of geospatial data with business operations.

We are also continuing to upgrade and replace outdated components of our IT infrastructure, in coordination with USDA's Office of the Chief Information Officer. Efforts to

optimize the IT network began in FY 2012 and continue to streamline network traffic so that it can handle the increased activities of our new program applications. This optimization continues to help centralize County Office data, support the modernized systems, and ensure the integrity of information.

PROGRAM UPDATE

The Agricultural Act of 2014 (the 2014 Farm Bill) was signed on February 7, 2014, and we are moving forward as quickly as possible with implementation. The 2014 Farm Bill repeals certain FSA programs, continues others with modification, and authorizes several new programs. Most programs are authorized and funded through 2018.

On April 15, we will start sign-up for the four permanent disaster programs—the Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP). These programs are retroactive to October 1, 2011. We are expecting over $1 billion in losses to be paid retroactively, largely due to significant Plains drought losses in 2012 (covered by LFP) and this past year's Atlas blizzard in South Dakota (covered by LIP).

The 2014 Farm Bill also made significant changes to our safety net programs. The 2008 Farm Bill's Direct and Counter-Cyclical Program and the Average Crop Revenue Election program were repealed and replaced by two new programs: Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC). PLC provides counter-cyclical price-based protection for covered crops, while ARC is a revenue-based program that offers producers, at their choice, either individual or county-level coverage. In addition to these new programs, a one-time opportunity is offered to reallocate a farm's base acres using 2009-2012 plantings and to update the farm's payment yields for covered commodities to their 2008-2012 average yields.

Upland cotton is the only covered commodity that is not eligible to participate in ARC/PLC, but rather, becomes eligible for the new Stacked Income Protection Plan (STAX) offered by the Risk Management Agency (RMA). Until STAX becomes available in a county, upland cotton is eligible for transition payments made by FSA for 2014 and 2015 crops.

The Milk Income Loss Contract Program continues through September 1, 2014, unless it is replaced by the Dairy Margin Protection Program (DMPP) prior to that date. The new DMPP offers dairy producers: (1) catastrophic coverage, at no cost to the producer, other than an annual $100 administrative fee; and (2) various levels of buy-up coverage. Catastrophic coverage provides payments to participating producers when the national dairy production margin is less than $4 per hundredweight (cwt). Producers may purchase buy-up coverage, for a premium, that provides payments when margins are between $4 and $8 per cwt.

The Marketing Assistance Loan program and sugar loans continue mostly unchanged. NAP has been expanded to include protection at higher coverage levels, similar to buy-up provisions offered under the Federal Crop Insurance Program.

The Conservation Reserve Program (CRP), one of USDA's largest conservation programs, continues through 2018 with a decreasing annual enrolled acreage cap—from 32 million acres under the 2008 farm bill to 24 million acres beginning in FY 2017. The eligibility criteria are changed to allow enrollment of grasslands that had been eligible under the Grassland Reserve Program, which was repealed. Grassland enrollment is capped at 2 million acres. The 2014 Farm Bill also provides for up to $33 million for Transition Incentive Payments which are designed to encourage the sale or lease of expiring CRP lands to beginning, socially-disadvantaged or veteran farmers and ranchers. Another 2014 Farm Bill feature is the

requirement that a penalty-free "early out" be provided in 2015 for certain eligible CRP contracts.

Currently, 25.6 million acres are under contract, including 19.8 million acres under general signup and 5.8 million acres under continuous signup. CRP contracts on 2 million acres are set to expire September 30, 2014. Given the reduced enrollment caps, we expect general signups to become much more competitive in the future, which will likely increase the environmental benefits on a per-acre basis. We will also continue to pursue continuous signup options to target the most environmentally sensitive acreage.

Regarding credit, almost all farm loan programs are authorized permanently through the Consolidated Farm and Rural Development Act. However, the 2014 Farm Bill makes several program changes and enhancements, provides some additional authorities, and reauthorizes the Mediation Program and the Individual Development Account (IDA) grant pilot program which supports a savings incentive program for low-income beginning farmers. Several of the changes were mandatory and were implemented by FSA on March 3. These changes provide more favorable interest rates for joint financing arrangements, provide a larger percent guarantee on guaranteed conservation loans, increase the loan limits for the down payment loan program, make youth loans available in urban areas, and eliminate the term limits for guaranteed operating loans. FSA is in the process of implementing additional mandatory changes which will enhance the microloan program for beginning and veteran farmers. The 2014 Farm Bill also expands the types of entities eligible for loan programs, authorizes a relending program to assist Native American producers purchase fractionated interests of land, and authorizes changes to the highly successful microloan program.

The 2014 Farm Bill also reauthorized the State Mediation Grant program, which provides grant assistance for State-approved programs that provide mediation assistance for farmers in matters involving credit, conservation, and some additional USDA-related transactions.

BUDGET REQUESTS

Commodity Credit Corporation (CCC)

CCC FY 2015 baseline expenditures are projected to be $4.9 billion, a decrease from approximately $9.7 billion forecast for FY 2014 which is primarily due to the repeal of Direct Payments. In FY 2013, $9.2 billion was expended as compared to a record high of $32.3 billion in FY 2000.

CCC is authorized to replenish its borrowing authority, as needed, through annual appropriations up to the amount of net realized losses recorded in CCC's financial statements at the end of the preceding Fiscal Year. In FY 2014, the CCC received $9.6 billion for reimbursement of 2013 losses.

Appropriated Programs

The FY 2015 Budget proposes $6.4 billion for farm loans, including $2.9 billion for direct loans and $3.5 billion for guaranteed loans. Only $81.2 million in budget authority will be necessary for this level of assistance. Direct Farm Ownership Loans are proposed for an increased loan level of $1.5 billion. A loan level of $1.25 billion is proposed for Direct Farm Operating Loans. At least 85 percent of the amount appropriated for Direct Farm Ownership Loans and at least 60 percent of the amounts appropriated for Direct Farm Operating Loans will be reserved for qualified beginning and socially disadvantaged farmers and ranchers for the fiscal year.

For Guaranteed Farm Ownership Loans, the FY 2015 Budget proposes a loan level of $2 billion. The requested loan level is expected to meet the increased demand for this program. For Guaranteed Farm Operating Loans approximately $1.4 billion in loan level is proposed for FY 2015.

A portion of both direct and guaranteed farm operating and ownership loan funds is targeted to socially-disadvantaged borrowers, based on county level demographic data. The statutory targets vary by loan program.

For Emergency Disaster Loans, FSA is requesting $856,000 to support a $34.7 million loan level. In addition, the Budget proposes loan levels of $2 million for Indian Tribal Land Acquisition Loans and $60 million for Boll Weevil Eradication Loans.

FSA also requests $2.5 million for the IDA grant program and funding for two farm loan programs – Guaranteed Conservation Loans and the Indian Highly Fractionated Land Program. The FY 2015 budget requests $150 million for Guaranteed Conservation Loans and $10 million for the Indian Highly Fractionated Land Program which is a direct loan program that provides authority to make and insure loans to eligible purchasers of highly fractionated land under the Indian Land Consolidation Act.

For State Mediation Grants, the FY 2015 Budget requests $3.404 million for 38 States to assist in continuing cost-effective alternative dispute resolution programs that deal with disputes involving a variety of agricultural issues.

FSA Salaries and Expenses

The FY 2015 Salaries and Expenses Budget requests $1.449 billion from appropriated sources, including credit reform transfers.

This request for administrative support within FSA reflects our continued commitment to achieving cost-savings and increased efficiencies, while providing farmers and ranchers with the highest levels of customer service. Over the coming years, FSA will be challenged by the need to implement new Farm Bill policies under tight timeframes while concurrently beginning to take steps towards reshaping and restructuring its workforce and county office footprint. This latter effort will be achieved through implementation of the new Model Service Center concept that the agency is developing. The goal of this concept is to modernize and consolidate the way service is delivered in order to achieve efficiencies and costs savings that will allow us to more effectively manage future budget challenges with limited to no impact to customer service levels.

We believe that through the implementation of the Model Service Center concept, we will have the opportunity to achieve cost savings through the consolidation of County Offices which will enhance customer service. During preparation of the FY2015 budget, we conducted a "point-in-time" review of current county offices and staffing levels, and found the potential to consolidate 250 field offices. The FY 2015 Budget request assumes $5 million in savings from this consolidation. We also believe there are steps that need to be taken to reshape and restructure our county offices and workforce before we can begin preparing any office consolidation plan. The agency has not yet identified specific offices for closure and there is no list of offices that have been considered. Any savings from potential consolidations would be reinvested to ensure that all of the agency's employees have the equipment, training, and resources necessary to provide the highest levels of customer service.

Implementation of these internal operations and changes will carry over into FY 2015 as FSA concludes many efforts and begins to benefit from the realignments. FSA is proposing to reduce non-federal staff by 815 FTEs, saving $61.6 million, and realigning approximately 300

federal headquarters and state office oversight staff to the county offices, saving \$6.8 million, in an effort to ensure support for the anticipated higher farm loan program activity. The salary savings are slightly offset by the proposed increase for the pay adjustment of \$10.0 million. FSA's FY 2015 Budget proposal includes an increase of \$27.1 million for the decentralization of GSA rental payments and Department of Homeland Security (DHS) payments based on FSA current space occupancy. The IT request includes base funding to continue contract services that support modernization, development and maintenance of applications systems, and deployment support (e.g. data and database administration, testing and certification, and security). These funds will enable FSA to maintain essential program delivery and operations in the field, as well as provide support for improvements. This funding includes \$65.0 million for MIDAS.

The IT request includes an overall decrease of \$4.9 million to IT infrastructure operations and support services, FSA will manage this decrease by reassessing priorities of FSA IT investments, balancing reductions and schedule impacts to achieve an optimal mix of IT resources to support program delivery and sustain the operations and maintenance of non-MIDAS IT modernization efforts.

Mr. Chairman, this concludes my statement. I will be happy to answer your questions and those of the other Subcommittee Members.

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Mr. SCUSE. Mr. Weller.

OPENING STATEMENT—MR. WELLER

Mr. WELLER. Thank you, Mr. Scuse.

Good morning, Chairman Aderholt, Ranking Member Farr, members of the committee. My name is Jason Weller, and I have the honor of serving as the Chief of the Natural Resources Conservation Service.

We employ around 11,000 professionals around the country that work one on one with private landowners, farmers and ranchers. So we have folks as far as Maine, all the way to the Pacific Basin, from Alaska to Puerto Rico, and we work out of field offices to help farmers and ranchers come up with positive, proactive, problem solving solutions for their resource management needs.

We are very appreciative of the resources this Committee provides our agency to help with those problem solving solutions on the landscape as well as the resources provided by the farm bill, and I look forward this morning to visiting with you and also answering any questions you may have.

Thank you.

[The information follows:]

Natural Resources Conservation Service
Statement of Jason Weller, Chief
Before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives

Mr. Chairman, Ranking Member, and distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the fiscal year 2015 budget request for the Natural Resources Conservation Service (NRCS). I appreciate the ongoing support of this Subcommittee for voluntary private lands conservation and the improvement of soil, water, and other natural resources on the Nation's farms, ranches, and private forests. Before providing the Subcommittee details of the proposed NRCS budget, I would like to share some examples of the benefits delivered through conservation efforts.

Many customers begin their relationship with NRCS through requests for technical assistance that result in the development of conservation plans; these conservation plans then serve as the platform for taking action. The main program supporting conservation planning, our Conservation Technical Assistance (CTA) Program, is the backbone of the Agency's conservation delivery system. In fiscal year 2013, NRCS provided technical assistance to over 640,000 customers to address natural resource objectives on almost 44 million acres of farm, ranch, and forest land, an increase of nearly seven million acres over the previous fiscal year.

Mission Delivery Highlights

To give you a picture of the scope of conservation delivery through the CTA Program, allow me to highlight a few of our fiscal year 2013 accomplishments. The CTA Program

assisted producers in identifying and addressing resource concerns. Included in these plans are conservation practices covering:

- 22 million acres to improve water quality;
- 17 million acres to improve grazing and forest land;
- 8 million acres to improve wildlife habitat;
- 8 million acres to improve soil quality; and,
- Over 950,000 acres to improve water use efficiency, reduce groundwater withdrawals and surface runoff, while reducing costs to the producer.

NRCS field staff work with State agencies and local partners, as well as private organizations, to deliver conservation technical and financial assistance. In fiscal year 2013, these non-Federal partners contributed an estimated $95 million of in-kind goods and services along with over $150 million in financial assistance to address local resource concerns that support our goal of getting conservation on the ground.

NRCS employees continue to be proactive, innovative, and responsive in working with partners and customers to fulfill our mission and build on our nearly 80-year history of helping people help the land. A few recent highlights include:

- We have enrolled nearly 60 million acres into the Conservation Stewardship Program (CSP). This represents an area of nearly 94,000 square miles, larger than Alabama and Maine combined. CSP is aimed at producers who are already established conservation stewards and helps them both maintain existing conservation measures as well as take their level of stewardship to the next level.
- Delivering assistance to farmers and ranchers alongside partners to restore and enhance over one million acres of habitat for the Lesser Prairie-chicken since 2010. NRCS has also worked with the U.S. Fish and Wildlife Service on an innovative effort to establish regulatory predictability for farmers and ranchers who work with NRCS to develop and implement a conservation plan to improve habitat on their operations. By voluntarily implementing conservation measures with support from NRCS, producers in return can

be confident that they can continue operating their businesses over the long term and not be concerned about the listing of the lesser prairie chicken as "threatened" under the Endangered Species Act.

- Demonstrating our ability to respond quickly to natural disasters by moving swiftly to provide timely help to agricultural producers and communities in the wake of natural disasters. For instance, NRCS used the Emergency Watershed Protection (EWP) Program to provide assistance to Colorado communities in the wake of damaging floods in September 2013 to mitigate serious threats to public safety and infrastructure from additional potential flooding. NRCS also provided timely help to ranchers in South Dakota and Nebraska to dispose of thousands of livestock carcasses to protect water quality and public health in the wake of last October's early blizzard. More recently, NRCS has proactively assisted farmers and ranchers impacted by severe drought in California and other Western States.
- Working through diverse partnerships, NRCS has used its Landscape Initiatives to bring focused conservation assistance to bear on critical natural resource issues. As an example, NRCS has teamed with public and private partners to halt the loss of longleaf pine forests acreage in the Southeastern U.S. Just within four years, NRCS partnered with private landowners to restore and improve almost 200,000 acres of forest lands under the agency's Longleaf Pine Initiative (LLPI). The LLPI is designed to assist private landowners by leveraging financial and technical resources with other partners and accelerating conservation actions to protect, restore, and enhance longleaf pine forests in the Southeastern U.S. At one time, longleaf pine forests covered 90 million acres; by the1990s, only about three million acres of longleaf pine forest lands remained. Through the LLPI, NRCS and the longleaf pine partnership are reversing the century long decline in longleaf pine acres. Improving the health and extent of these forests is important because they are vital to rural economies as they grow timber for an array of products. They also provide clean water for towns and cities and are home to a large number of important "at-risk" and game species.
- Partnering with farmers and ranchers to protect and improve water quality in priority watersheds in all 50 states. Under the National Water Quality Initiative, NRCS works with state and local organizations to identify rivers and streams that are listed as

"impaired" or "threatened" under the Clean Water Act and where there are opportunities for agriculture to improve water quality by reducing the impacts of nutrients, sediment, and pathogens into surface waters. In fiscal year 2013, NRCS targeted nearly $35 million of additional conservation assistance into 165 small watersheds. As a result of voluntary conservation measures in these watersheds, water quality has improved and State water quality agencies have de-listed two water bodies, with a projection that four additional delistings will be proposed in the next five years. Our targeted assistance is making a difference in local communities to improve water quality.

With passage of the 2014 Farm Bill, NRCS has the authorities and resources to build on these successes and accelerate the adoption of conservation measures that improve both the Nation's natural resource base and farmers and ranchers' bottom lines. We are appreciative that Congress has provided a significant investment in private lands, voluntary conservation both through the 2014 Farm Bill and the appropriations provided by this Subcommittee. We take seriously our responsibilities to be excellent stewards of these programs and financial resources.

Improving Mission Support

One of the best ways we can ensure that high-quality conservation assistance is available to farmers and ranchers is to strengthen NRCS's business operations and administrative capabilities. NRCS is undertaking a number of key management initiatives related to agency and program administration.

The Future of Administrative Services

NRCS is working to improve and streamline its administrative functions – including our budget and finance, human resources, and procurement and property functions – in order to improve customer service and be more cost effective. Our new approach will provide high-quality support that will in turn deliver improved value for the taxpayer and better service to customers.

We believe this new approach will ensure both greater consistency and accountability in our

administrative service operations.

Conservation Delivery Streamlining

NRCS has initiated the Conservation Delivery Streamlining Initiative (CDSI) to modernize our business, deliver more assistance to agricultural producers with less overhead, and ultimately provide better customer service. The initiative has three overarching objectives:

1. Simplify conservation for clients and NRCS employees;
2. Streamline business processes; and
3. Deliver high-quality, science-based technical assistance.

We have made significant progress toward these objectives. CDSI redesigns the conservation delivery and program administration underpinnings of the agency.

During fiscal year 2013, NRCS finalized CDSI's information technology architecture and software design and began developing the web-based Client Gateway, an internet portal that will allow our customers to conduct business with NRCS 24 hours a day, seven days a week. Through the CDSI Client Gateway, farmers and ranchers will be able to review their conservation plans and program contracts, request assistance and schedule appointments with NRCS, and track financial payments – all online and without having to travel to a field office. The Client Gateway will be the first major CDSI information technology system deployed nationally and is scheduled to be released in August 2014.

Improving Financial Processes

Since 2002, the conservation programs NRCS delivers have grown significantly in scope and funding. Correspondingly, we must ensure we have strong financial management capabilities in place to protect taxpayers' investment in private lands conservation.

Over the past several years, NRCS has made significant improvements such as enhancing the agency's internal controls over financial resources, reducing potential information

technology security risks, and strengthening the reporting of its financial obligations. In FY 2013, independent auditors found that NRCS had:

- Improved financial reporting processes and controls;
- Secured information technology systems, ensuring that the infrastructure is robust and data safeguarded;
- Gained control and an agency-wide understanding of financial data and accounting principles;
- Strengthened the ability to report on the condition and location of real property assets; and,
- Successfully completed a condition assessment of over 4.3 million acres of land under conservation easements managed by NRCS.

We look to further these successes in the coming year by focusing on training for finance professionals and standardizing financial management processes and procedures. As part of our administrative transformation, NRCS is improving many of our financial management activities. In the past month, for instance, we have implemented a new approach to our accounts receivable operations. Instead of having over 50 business units tracking these accounting transactions, NRCS now has one business team managing these transactions to ensure greater efficiency, accuracy, and timeliness.

Fiscal Year 2015 Budget

The President's 2015 NRCS budget proposal builds on the 2014 Farm Bill and focuses on supporting NRCS's technical operations while delivering its new and reauthorized programs to the Nation's farmers and ranchers. The request proposes a total of $4.3 billion for NRCS conservation programs. This level includes both discretionary funding appropriated by this Committee and funding authorized by the 2014 Farm Bill. With these significant resources, NRCS will continue to focus on providing proactive and valuable conservation assistance to hundreds of thousands of farmers, ranchers, and forest landowners across the nation. The President's Budget is a reflection of the Administration's emphasis on focusing resources on

critical conservation issues. It also reflects USDA's efforts to streamline, modernize, and better deliver conservation services to our customers.

The budget requests $814.8 million for discretionary programs, including the following:

- $28.6 million for the decentralization of General Services Administration (GSA) Rental Payments and Department of Homeland Security (DHS) payments;
- A decrease of $35.6 million in the funding provided for program activities that are expected to be realized through administrative savings and efficiencies;
- $5.1 million for a pay cost increase; and,
- Appropriation language to create a new Private Lands Conservation Operations account to display both discretionary and mandatory funds used for conservation technical assistance. The account shows a total of $1.5 billion for fiscal year 2015, comprised of $814 million in discretionary funds and $733 million in mandatory funding.

In addition, as part of the Administration's Climate Resilience Fund, NRCS is requesting $100 million to enhance support for private landowners to manage landscape and watershed planning for increased resilience and risk reduction.

Mandatory programs are funded at $3.4 billion, which represents a significant investment in conservation. This request is based on reauthorized and newly authorized programs in the Agricultural Act of 2014 (Farm Bill).

Conclusion

Mr. Chairman and members of the Subcommittee, I believe that the President's fiscal year 2015 Budget reflects our commitment to focus limited resources on critical conservation issues, and to take responsible steps to streamline and modernize our operations while maximizing opportunities to get more conservation on the ground. Conservation remains an excellent investment in the Nation's present and future. These conservation programs and activities have demonstrated success in helping farmers, ranchers, and private forest owners achieve their operational and natural resource objectives while providing benefits for their communities and the nation as a whole. I thank the Members of the Subcommittee for the opportunity to appear and would be happy to respond to any questions.

FARM BILL IMPLEMENTATION

Mr. ADERHOLT. Okay. Thank you.

Let me start out, Mr. Scuse. Let me ask a little bit about the mandatory funds in the farm bill. The farm bill provides $175 million in mandatory funding to implement the farm programs and the crop insurance provisions of the law.

Can you briefly tell us how the department plans to utilize these resources?

Mr. SCUSE. Yes, Mr. Chairman, in several different ways. As you know, there is going to be a substantial amount of IT work that is going to have to be done to implement the farm bill. There are numerous new programs in the farm bill, such as the dairy program, Agricultural Risk Coverage (ARC), Price Loss Coverage (PLC), Stacked Income Protection Plan (STAX), shallow crop, shallow loss option. So there are numerous new programs that are going to require a great deal of development for IT and software.

We also recognize that we are going to have to have additional staffing. Because of the new programs and the magnitude of these programs, we are going to need additional staffing, temporary staffing to get the individuals signed up for these programs and get them signed up in a timely manner.

And we are also going to have to do a great deal of education and outreach. Again, because of the complexities of the programs and how some of these programs are tied together, it is going to take us a great deal of outreach and education to allow our farmers and ranchers to be able to make an informed decision and, ultimately, at the end of the day the right decision for their farming operations.

Mr. ADERHOLT. Will it be for any temporary staff, computer system or outreach? This money that is being spent, will temporary staff be——

Mr. SCUSE. Yes. Part of the money that is provided for us to implement the farm bill will go towards temporary staffing.

Mr. ADERHOLT. What about computers? Well, you mentioned IT work had to be done, but as far as what outreach in implementing this?

Mr. SCUSE. Well, in the farm bill there was some money. There was $3 million that was set aside for the Web-based decision making tool as well as an additional $3 million to do the outreach using cooperative extension. It will take us a lot more money than that to reach the amount of farmers and ranchers that we are going to have to reach.

Again, the education and outreach I cannot emphasize enough how important it is going to be because of how some of these programs are, in fact, tied together. So that is going to be a very, very important part of what we are going to be doing.

Mr. ADERHOLT. Well, we would encourage you not to use the funding to hire new full-time staff. You know, first of all, it would contradict the proposal to eliminate 815 non-Federal employees.

And, second, the subcommittee cannot commit to funding to higher staff levels in the future. So we do want you to be aware of that.

Mr. SCUSE. Mr. Chairman, let me make it perfectly clear. It is for temporary staff. We will not be hiring full-time staff with any

of this money. This is temporary staff that will help us get through some very critical sign-up periods.

Mr. ADERHOLT. Mr. Young, let me turn to you for just a minute. Is the mandatory funding to implement the farm bill available until expended?

Mr. YOUNG. Well, sir, yes. We are working with the General Counsel's Office on that very question. We do believe though that it is available for the time period of the farm bill.

Mr. ADERHOLT. How is your office going to be tracking the spending?

Mr. YOUNG. Well, we will be involved in working with FSA on the final plan, and then the apportionment process, and then the allotment of the funds to the agency. So we will be working closely with their budget and program folks.

Mr. ADERHOLT. One thing that the subcommittee would like to do is if you could report to us every quarter on U.S. Ag.'s expenditure with the money, that would be helpful. Would you be able to do that?

Mr. YOUNG. We will be glad to work with you on that, yes.

FSA OFFICE CLOSURES

Mr. ADERHOLT. All right. Since I have got a little bit more time left, let me just turn to Mr. Garcia for a minute, and to ask you about the proposal to close 250 FSA county offices and eliminate the 815 non-Federal staff. That is a concern to the subcommittee.

County employees are the ones that connect to farmers and ranchers with vital agricultural programs. Can you tell us how FSA has determined which offices that it actually plans to close?

Mr. GARCIA. Thank you, Mr. Chairman.

Well, at this particular time we have not made a determination as to any particular offices that will be proposed for closure. The 250 offices that we are proposing as a potential closure have been determined through an analysis of our workload in the States in that particular area of the State and also dependent upon an assumption of how much workload a particular county or counties will be doing based on the new farm bill provisions.

So at this particular time we do not have a list of offices that are proposed for closure.

Mr. ADERHOLT. So what you are saying is that how much workload these offices are currently under will be one of the main issues in deciding?

Mr. GARCIA. It will be one of the components. As the Under Secretary mentioned, we are looking at a model service delivery concept. In that determination, we will look at several things. We will look at workload. We will look at the location of the offices, how many main offices we have, and how many sub-offices that we currently have, and come up with our model service delivery project.

Mr. ADERHOLT. So physical location will be also one of the criteria you will be looking at as well.

Mr. GARCIA. Yes, sir, it will be one of the criteria as we move forward. As you well know, the 2008 farm bill law, Section 14212, is still in effect, and that states that before we look at any offices for proposed closure that are more than 20 miles, we have to look at

those offices that are less than 20 miles with two or fewer employees.

So that criteria is still in effect. So that will be one of the things that we will be looking at.

Mr. ADERHOLT. Mr. Farr.

Mr. FARR. I would love to have a 20-mile criteria. My gosh, when dealing with Veterans Affairs, you have to be 70 miles away. If you are closer than 70 miles, you cannot be buried in a veteran cemetery. You have to go 20 miles for farm services and 70 miles for veterans, crazy policy.

PROGRAM COORDINATION

Anyway, I think Secretary Vilsack has really impressed me with his modernization concept. I think of all the Secretaries, he has probably done a more acute job of looking at how we can better align our services in the United States.

I think what is missing in that though is a discussion with State and county similar entities. In California we have an Ag. Commissioner in every single county, including urban counties like San Francisco, and those Ag. Commissioners play a big role in California law, administering all of the pesticide rules, the OSHA rules, and things like that. It seems to me that, you know, they are sort of working with the extension advisors.

And I hope that, Mr. Weller, you will and, Mr. Garcia, you will use your offices as you begin looking at how do we get a better bang for our buck, of how can we partner with in some cases and delegate and maybe get memoranda of understanding between those county offices. They may have to add staff and do stuff.

But what bothers me, having been through local government, State government and Federal Government, it is all of the silos that each government creates, and then they never talk to each other. So you have got people doing like kinds of government services in the same community that do not even talk to each other. We cannot afford that at any level anymore.

Also, Mr. Weller, I was just curious because I think I have gotten a lot of positive feedback from the farmers who have worked with your agents about how positive they are and how flexible they are, and I think that is a big part of it.

I wondered. I am just thinking that so much of the rural economy depends on energy. Is there any effort to really start moving with solarization? My own self, my family has a cabin in Big Sur, and it is off the grid. So all of the water has to come from spring boxes. There is no power to generate at all, and I have converted to solar. I have just been shocked at how efficient and easy it is and how inexpensive it is. It generates tons of power.

And you think of the old windmills. The wind pumped the water out. We now can use solar to do more than just pumping, and I would hope that you might work with the Energy Department also having kind of an energy approach to rural America that we have never seen before.

MODEL SERVICE CENTERS

But let me ask Mr. Garcia specifically about this whole idea of your model service center that the chairman brought up. You men-

tioned in your testimony on page 8 that it is all part of the implementation on the new farm bill to reshape and restructure the workforce in county offices' footprints.

You say this latter effort will be achieved through implementation of a new model service center concept that the agency is developing. The goal of this concept is to modernize and consolidate the way service is delivered in order to achieve efficiencies and cost savings that will allow us to more effectively manage future budget challenges with limited or no impact to customer service levels.

Can you explain in some detail what the new service model center is all about?

Mr. SCUSE. Can I take a stab at that please?

Mr. FARR. You can. Anybody can do it.

Mr. SCUSE. Okay. Thank you.

Mr. FARR. Anybody who knows.

Mr. SCUSE. As I think the committee understands, agriculture is changing and evolving, and we need to change, evolve and modernize our delivery system just like agriculture and our farmers and ranchers are evolving. They embrace technology. They embrace change. We need to do that as well.

What we are attempting to do with the modern service delivery center, if you look at our losses, we have lost 35 percent of our workforce since 2003. Since 2010, we have downsized 20 percent. We have lost 20 percent of our workforce. We need to find ways to work smarter and to be able to provide the services that our farmers and ranchers are providing.

Now, since 2003 with the 35 percent reduction in our workforce, we have implemented three farm bills, and we have provided services to our farmers and ranchers, and we continue to provide those services, those disaster payment programs as well as our lending programs. This year the request is $6.4 billion for lending.

We have continued to provide great service to our farmers and ranchers with a greatly reduced work force. What we want to do is to continue to be able to do that. The savings that we will get out of the reduction in the office footprint we will put back into our staff and the way that we are going to be able to provide those services. We will put that money back into our office structure so that our staff will have the resources that they need to continue to do the job of serving their——

Mr. FARR. It sounds like you are going to move into the Internet world, which is probably very practical, but you know, rural America does not even have access to it.

Mr. SCUSE. Exactly, and it will not be just the Internet. We recognize that there is a large percentage of farmers out there who do not have service to the Internet, and so we are going to have to continue to provide office space and staff to meet the demands of those producers that either do not have access or, like myself, are not that technologically advanced just yet.

So you know, we recognize the fact——

Mr. FARR. You talk about a model. Is it based on some model concept, some business concept. I mean corporate America is consolidating into corporate headquarters, but at the same time sort of expanding into rural areas without having to do exactly what you are doing with less manpower.

Mr. SCUSE. And what we would like to do would be to have that central office where we are going to have the management and the bulk of the staff. We also then have a branch office that will have staff but not the management, and then we will have the satellite offices to reach those customers in certain areas that need that service provided to them, and that will be at a very limited staffing level with limited hours, and we believe by doing that we will be able to ultimately save money and at the same time provide the service that those individuals need us to provide.

You know, we want to take this one step further. We want our Farm Service Agency offices, those county offices, those branch and satellite offices and core central offices to be able to provide additional information about not just Farm Service Agency programs, but about USDA in general.

And I think we are going to be able to provide a lot more information to a much wider client base, and at the end of the day provide a lot more services not just for farmers and ranchers and for the FSA office, but for all of USDA.

FSA OFFICE CLOSURES

Mr. ADERHOLT. Mr. Nunnelee.

Mr. NUNNELEE. Thank you, Mr. Chairman.

Mr. Scuse, I want to continue on the same area that the Chairman and Mr. Farr talked about. I understand we are in a new era. We are in a period of belt tightening and budget cuts, and in order to do that, we have got to work differently. So I want to raise two issues that I think are related.

One is the closing and reorganizing of FSA offices, and the other is the duplication of reports. Quite frankly, I believe that the farmers and ranchers are understanding that they cannot do business the way we have always done business and that if we involve them in decisions, they will be quick to accept the decisions that might very well involve driving a little bit further.

But when they have to drive further to turn in the same report four different places four different times, that adds to the frustration. So I think the two issues are related.

So the chairman talked about the closing of offices and consolidating. I understand there is a parochial view in that, with folks saying, "I understand you have got to close offices somewhere. Just do not close mine."

It appeared to me that the last round of closures were driven top down, and I would encourage you to involve your local employees as well as your, quote, customers, the farmers and ranchers of America, in making the decisions that do involve, as the Chairman mentioned, workload, that do involve, as Mr. Farr talked about, distance, and incorporate all of that, bringing the stakeholders to the table to help you make a decision.

So let me just get you to address that before we move to duplication.

Mr. SCUSE. Okay. And I think you are exactly right. It was driven by the criteria that were set down in the farm bill. There was very little decision making process that we had the ability to do. Again, the 2008 farm bill dictated how we were going to close and where we were going to close these offices.

And to be perfectly honest, that was unfortunate because there are offices in areas that maybe should have remained opened. There are offices that are open today that maybe should have been closed because of the workload, which was the piece that was missing in the 2008 farm bill.

So you know, we need to take a very hard look at what we are going to do, how we are going to do it, and you are exactly right. We do need to include the States, the State Executive Directors (SEDs), the District Directors (DDs) that are in those States, as well as the customers and clients that we are serving. So that will be part of the process, the decision making process, as we move forward with creating a model service center concept.

ACREAGE CROP REPORTING STREAMLINING INITIATIVE

As far as the duplicate reporting goes, it has been a concern of mine. I am a producer. I have to currently give a crop report to the Farm Service Agency, and I have to give a crop report to my crop insurance agent. That is why we started down a path two years ago to create the Acreage Crop Reporting Streamlining Initiative, and there is funding in the farm bill to help us make this happen.

What we have done so far in this, we have made some serious progress. We now have a common land identifier between FSA, RMA, NRCS and NASS. We have got all of the agencies in the room. There were four. They can still use their own, but there is now one common land identifier across all the agencies. We think that will be a big help.

There were multiple crop reporting dates between the Farm Service Agency and the Risk Management Agency that were different. I had one county, I believe, in Florida that had 27 different crop reporting dates. No wonder there was some confusion in farm country.

We sat down with the agencies, and we streamlined that. We made those in many cases the same reports for the different agencies.

There is a commodity table. Now, I did not know that it existed, but there is a commodity table that identifies all of the different crops that are grown in the United States. That commodity table needed to be compressed because there were so many different ways to identify corn or soybeans or different types of vegetables. That needed to be condensed. That, too, has been done.

We just had a meeting in Kansas City that I attended with a group that is in charge of leading this project so that at the end of the day our producers will be able to make a single crop report to either the FSA office or their crop insurance agent.

Taking that one step further, eventually they will be able to do that from home. Then they will be able to use the technology from that cotton picker and that combine to do a direct download of that information into the office.

Mr. NUNNELEE. Well, I think you understand the issue. Consolidation, downsizing and streamlining are tied together, and if you continue to move in that direction, I think you will get a lot of cooperation.

Thank you.

Mr. SCUSE. Yes, sir. Thank you.

Mr. ADERHOLT. Mr. Bishop.

FIELD OFFICE RESTRUCTURING

Mr. BISHOP. Thank you very much.

Let me welcome all of you gentlemen.

Let me follow up on Mr. Nunnelee's comment with reference to the consolidation of the various offices. The concept that I hear you developing is one of a one stop shop so that you can streamline and you can put all of the services in one location even though there may be a little further drive, but once the farmer gets to that location, he should be able to accomplish all of his business in the same spot.

Is that what I see you trying to get to?

Mr. SCUSE. Yes, sir, and be able to provide additional information from across USDA when that producer makes that stop at that office.

Mr. BISHOP. Right. Now, one of the concerns that I have heard perennially from the users of your various offices is that the redundancies of application information, multiple applications that require the same information, just on different forms for different services, one for FSA, another one for NRCS, et cetera.

I know that you were going to work on that in past years. Have you accomplished that now? Is your IT system up so that you can transport the information that the farmer has already given, basic information that is needed for all of the programs so they do not have to do it every time they go for a different service, if they want CRP or they want a commodity program, whatever it is they are signing up for?

Mr. SCUSE. Under the MIDAS system we have the producer information into that system now. So it is in a centralized location.

COMMODITY PROGRAM REGULATIONS

Mr. BISHOP. Thank you. Thank you very much.

Now, Mr. Scuse and/or Mr. Garcia, I want to talk about peanuts. As you know, I come from peanut country. Some peanut producers and a few peanut buying points in North Central Florida have complained about not having generic base acres, which were former cotton base acres, as described in the 2014 farm bill.

Specifically, this area of Florida does not have many generic base acres. So many of them argue that the peanut reference price is too high for peanuts grown on generic base acres throughout the U.S. The overwhelming majority of peanut producers, including the majority of peanut producers in Florida, do not agree with those that have problems with the intent of the 2014 farm bill Title I language.

I supported the 2014 farm bill that was sent to the President, and I hope that my peanut producers are treated the same as all other commodity producers in Title I. This works for the peanut industry, and we are pleased with the reference price and the base language in the 2014 bill.

But I would like to submit for the record an industry letter from peanut growers, sellers and buying points supporting the language in the 2014 bill if the chair will entertain that at the appropriate time.

And I would like to ask you if you could give us an update on when you expect to have the proposed regulations out on the commodity support programs, and particularly peanuts.

Mr. SCUSE. Well, as you know, we are working very hard on all of the different aspects of the farm bill. As the chairman pointed out earlier, we have the livestock disaster reg. that will take place starting next Tuesday, April 15th. We continue to work on the regulations not just for the price supports; the marketing loans as well as shallow loss program; ARC, PLC as well as the dairy program this fall, but we are working as quickly as we can to get those programs out the door as fast as we can.

Mr. BISHOP. Thank you very much.

Mr. Chairman, I would like to offer this and ask unanimous consent that this be made a part of the record.

Mr. ADERHOLT. Sure, without objection.

ACTIVE PERSONAL ENGAGEMENT

Mr. BISHOP. Thank you.

Let me go to one other area quickly while I still have some time, and that is the actively engaged rules. I think many in Congress are interested in the development of the new regulations further defining the term "active personal management," as used to make the actively engaged in farming determinations beginning in 2015.

It is clear that farming is not just about driving a tractor, and as the department moves forward, it will be critically important to consider the size, cropping mix, regional location of farms, unique characteristics in developing this new definition.

I believe the conference report provides some excellent guidelines for your consideration. I hope that every effort will be made to make certain that throughout the process there is no disruption to family operations as provided in the statute.

I would like to kind of get your thoughts on that. The Secretary indicated that he expects the actively engaged rules to be released by the end of this year or early 2015. I know you have a number of other new regulations which are expected to be issued, including new implementation of the disaster programs, the new PLC and ARC programs.

So can you give us an assessment of when these new rules will be issued and what, if any, impact there will be with the proposed headquarters staff reductions?

Mr. SCUSE. Is this addressed to——

Mr. ADERHOLT. If you can just quickly. We are over time, but go ahead and answer, if you could just do a brief answer.

Mr. SCUSE. Okay. As the Secretary pointed out, we will be doing a proposed rule later this year for actively engaged. This is something that we take very seriously. As you pointed out, there are two sides to this issue. There will be a comment period, and we are going to welcome any and all comments, and there is going to be a considerable amount of comments on this proposed rule.

It will take us probably a considerable length of time to review all of those comments, but we take this very seriously. Again, it will be proposed, and we will be taking comments and then making our decision after we have reviewed all of those comments, Congressman.

Mr. BISHOP. Thank you very much.
Mr. ADERHOLT. Mr. Valadao.

EMERGENCY CONSERVATION PROGRAM

Mr. VALADAO. Thank you, Mr. Chair.

I want to associate myself with the comments about the FSA office closure. I am just as concerned as the other members, but I do not know if I need to add any more to that. I am going to switch gears a little bit.

The Emergency Conservation Program through the Farm Service Agency assists farmers and ranchers with funds to increase their water storage and collection, including drilling new water wells. In order to qualify for funding, these projects must be completed within 120 days of approval.

Although some projects in Central Valley can be completed within this time frame, due to the increased demand and limited resources, my constituents are unable to have any well work completed within a 120-day time frame. Currently, the estimated wait time just for the well company to complete drilling the well, not installing the equipment or bringing in the electricity, and there is a lot that goes into that, it ranges from about eight to 12 months.

And due to the current time constraints, the ECP guidelines and the high demand for well installation, many of our constituents are finding themselves ineligible for emergency funds through the ECP. I, along with my fellow Valley members, sent a letter requesting a deadline extension to 365 days so that our constituents will be able to utilize the programs that the USDA has provided for just this type of draught disaster.

Do you have any indication of the extension becoming a reality? And if so, can you give me a time frame for implementation?

Mr. SCUSE. We are working on that right now. We understand that there is an issue with the timing, and we are working on the extension for those producers.

And just so you know, I personally was in California last month. I visited a lot of the areas that were impacted by the drought, talked to the ranchers about the wells and the issue that they were having getting well drillers, as well as the cost of drilling those wells. So I saw and witnessed it firsthand.

So we are working on the extension. We understand the circumstances, and we are going to work with the producers.

Mr. VALADAO. Do you think it is possible to get an extension?

Mr. SCUSE. Yes.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP NEGOTIATIONS

Mr. VALADAO. I would also like to thank you for your continued efforts to expand opportunities around the world for the U.S. dairy industry. Right now dairy exports account for the equivalent of a day's milking every week. Originally, the Dairy Caucus, of which I am the co-chair, sent a letter to both Secretary Vilsack and Ambassador Froman regarding geographical indicator concerns with the ongoing transatlantic trade investment negotiations with the European Union.

Although both the U.S. and the EU are major dairy producing and exporting regions, there is a $1.3 billion trade deficit between them. This reflects the burdensome route American companies are faced when trying to export their products to the EU.

Dairy farmers and companies in my district are deeply concerned by the EU's efforts to impose these restrictions on the use of many common food names. The EU's requests threaten U.S. sales exports of a number of U.S. agricultural products, but pose particular concern to the use of dairy terms, as you also mentioned in your testimony. This type of barrier to trade and commerce defies the fundamental goals of a trade agreement, and the EU currently has a 60 percent tariff on dairy products, including cheese and milk powders.

What are you doing to ensure the dairy market's access into the EU?

Mr. SCUSE. Let me just start out by saying that the dairy industry is not the only industry that is concerned with the geographical indicators. I know that when the agreements were signed with the Central American countries, they agreed to over 400 geographical indicators which, again, puts us at a major disadvantage.

We take this very seriously. Our negotiators take this issue very, very seriously. So I know that your comments have been received by our negotiators at USTR and USDA, and again, they are going to be taken very seriously. It is a concern especially with some of the geographical indicators that they are wanting to apply.

So, again, we take it seriously, and we will consider all of the information and the letters that we receive.

CROP INSURANCE FOR SPECIALTY CROPS

Mr. VALADAO. Thank you.

Specialty crop insurance, under the 2010 standard reinsurance agreement, the USDA negotiated with the insurance companies without agent input. Commissions to crop insurance agents from insurance companies were capped. This cost specialty crop insurance agents in California $15 to $20 million a year, and the specialty crop insurance agents nationwide more than $54 million a year, and will continue to cause these losses every year until the SRA can be changed in 2015.

When do you expect to renegotiate the new SRA?

Mr. WILLIS. The farm bill allows the SRA to be renegotiated once every five years. The soonest it could be renegotiated is 2016, and to do that we would have started this year.

The Secretary has asked us to focus our resources on getting the farm bill implemented correctly and timely. So towards the end of this year, early next year, we will reengage on that discussion.

Mr. VALADAO. All right. Well, thank you.

Mr. ADERHOLT. Ms. Pingree.

CROP INSURANCE FOR ORGANIC COMMODITIES

Ms. PINGREE. Thank you very much. Thank you all for being here today.

I am going to follow up on crop insurance in a slightly different light.

So first I want to thank you for attempting to act quickly to implement the farm bill's expansion of crop insurance program to diversified farms, as well as eliminating the crop insurance surcharge for organic products. As demand for local and organic food grows, some farms will stay small, continuing to focus on direct-to-consumer and direct marketing, but others are definitely going to want to scale up.

And in order to sell to institutions like hospitals and schools and become a reliable source for grocery stores, the ability of farmers, big and small, to access to crop insurance is going to be a very important tool in their toolkit. Also, because of the incidence of difficult weather that we have been experiencing, it is just becoming more and more important for people to have access to crop insurance.

So, Administrator Willis, thank you for your work on this. I understand that you grew up on your family's berry farm in Utah. Are you confident that the crop insurance will be able to work for non-commodity farms like yours?

And I have two or three other questions. I will just throw them all out there and you can answer them all.

Will the crop insurance industry be able to shake the image of being only for the commodity crops and find a way to appeal to the smaller farmer and be accessible?

Can you talk a little bit about how RMA is working to ensure that the expansion of crop insurance is a success, and that the USDA field offices are equipped to help less traditional farmers who are interested in buying crop insurance for the first time?

We would love to see this all be successful.

Mr. WILLIS. Thank you. I agree.

You know, the Secretary spoke a while back, and he said that crop insurance is the linchpin to the safety net, especially with the changes in this farm bill, and I agree with that. If you look at crop insurance, it is a great model that balances. Farmers need to protect their investment and taxpayers need.

The one thing though is if a farmer does not have a policy or they do not have a policy that works for them, it is not the linchpin of their safety net. So we have worked hard trying to expand. We have made a lot of progress. We have more to go.

Specifically speaking of organic farmers, I think that is a good illustration of what can we do and what can be done when both sides work together. Their main issues with the program were the surcharge and the prices.

Ms. PINGREE. Right.

Mr. WILLIS. The surcharge was eliminated this year. The prices were offering many more options for them, new crops as well as an option for those that have contracts.

As far as getting the word out, that is obviously the next step. If they do not know about it, it does not do any good. We worked on the organics specifically. We issued a blog posting. We have done press releases. We have worked with our friends at USDA who operate the National Organics Program to get the word out to their stakeholders. We have worked with our friends at the Ag. Marketing Service at USDA as well. We are working with our companies to educate them.

We also have risk management education funds that allow us to spread and educate people who may not be as knowledgeable about crop insurance as other farmers are. But I certainly appreciate your point.

As we look forward, we are trying to offer policies that work for everybody. Whole farm is another area the farm bill provided some guidance that we needed to improve our whole farm options for diversified producers. We actually did not wait for the farm bill to pass. We had the legal authority to do that.

We had the stakeholders meet in Kansas City, people who were particularly interested in a whole farm policy. We listened to them, and then with the constraints that we had and the concerns that they had, we tried to balance those. And ideally, we will have a new policy that will come before the board here in the next month or two, and we are moving in that direction.

We have seen a lot of improvement, but we do recognize that crop insurance only works if you have a policy that you can purchase and you know about it.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Ms. PINGREE. Great. Well, thank you for your answer, and I will certainly be interested to see what the whole farm diversified policy looks like.

Now I want to talk a little bit about EQIP. So that is probably Chief Weller. Thank you.

In my State, under the leadership of State Conservationist Juan Hernandez, the Natural Resources Conservation Service, NRCS, in Maine has made good progress improving the health and sustainability of our working lands.

One of the particularly popular programs in Maine, and I am sure in other places, is the Environmental Quality Incentives Program, known as EQIP. You know all of these things. It is a voluntary program that provides assistance to farmers and ranchers and certainly has a huge impact on our State.

In Maine, over 12 percent of the EQIP contracts go to the organic initiative, which helps farmers, both organic and those who are working towards organic certification, address some of the resource concerns that are specific to organic growers. It assures the opportunities for farms to grow and remain sustainable.

While the recently passed farm bill increased the payment limits for most producers using EQIP to $450,000, at the same time it cut the payment limit for organic producers to just $80,000. I find this very discouraging. I am concerned about the message it sends to organic farmers and ranchers, and I want to make sure that the USDA is open for business to all producers.

So can you discuss how NRCS is implementing the EQIP organic incentive and touch upon whether organic producers will see a drop-off in service due to these payment limitations?

Mr. WELLER. So let me just begin with the basic proposition that at NRCS we are production neutral. So whether you are conventional agriculture or you are organic agriculture, we are there to serve you.

Stepping back prior to this farm bill, stepping back several years, while we did provide service to organic producers nationwide, I

think we could have done a better job of it, and that is why we have taken a number of steps to actually increase internally our skill set so that it does not matter whether you are in Maine or California or Nebraska, that we have folks in the field on the ground that are experts at organic production.

So we have revamped all of our conservation practice standards to incorporate good organic practices as part of our conservation delivery system. So if you are with pest management, nutrient management, your tillage practices, your buffers are in your fields, we have updated our practice standards to help organic production.

We have provided training to over 7,000 employees nationally on organic conservation and organic production. We have invested in innovation grants with organic systems to help identify organic production systems and how to incorporate effective conservation in organic production.

The result from that investment over the last five years, we have provided through EQIP $106 million just to the organic initiative you are talking about for organic producers nationwide. We can still do better.

So to your point on the farm bill, if the producer comes in through the specific organic initiative, which is a statutory requirement, you are correct. It does have some statutory limitations, but a producer does not have to only come in through that authority. They can come in and apply for general EQIP assistance, and then there is no limitation.

Again, it is production neutral. So whether you are a cranberry grower or you are a beef and cattle operation, EQIP is there to help you with your conventional production or organic production. If you come through the general EQIP program, you are not held to any limitation other than that $450,000 contract limit.

Ms. PINGREE. Great. Well, I am out of time, but thank you for your answer.

Mr. ADERHOLT. Mr. Yoder.

CROP INSURANCE FOR PARTIALLY IRRIGATED CROPS

Mr. YODER. Thank you, Mr. Chairman. Thank you all for your testimony today.

A couple of brief questions for you. I know there has been some discussion about the FSA offices. I know that has been discussed, and I might concur with my colleagues' comments.

Let me ask you a little bit about crop insurance. I know that was just raised. I brought this issue up with Secretary Vilsack when he was before our committee a few weeks ago about the possibility of having a partially irrigated crop insurance program. We have individuals who either are irrigated or who are not irrigated, but because of maybe drought conditions or water management issues, in certain communities they moved to sort of a partially irrigated position, which there is not really a crop insurance tool that fits that, is my understanding, today, and so they are either irrigated or not.

I think the USDA is working on that project. Where are we on that? And is that a tool that farmers would be able to use across the country sometime in the near future?

Mr. WILLIS. Thanks for the question.

I actually about a year ago had the opportunity to go visit with farmers out in Kansas; talked to the governor as well; and I understand how important of an issue this is. About that time we asked a third party to look at different options of how we could potentially cover it because, as you pointed out, it is kind of a middle ground.

These producers used to have adequate water to fully irrigate a crop. Unfortunately, a lot of them do not now, and unfortunately, the situation is probably going to get worse over time.

That study came back, and they presented some problems. We actually read that. We asked them to go back with some ideas we presented them and to come up with their own ideas, trying to find a solution.

I wish I could tell you that it was simple, and I wish I could tell you that we had a solution today because I wish we did, but we do not. We are going to keep working with people because we do understand these farmers are facing a very unique situation, and they are going to do the best they can under the circumstances.

So it is a high priority, but it is not as simple as I wish it was.

Mr. YODER. Are there things that we can do legislatively that would provide a format so that would be possible?

I mean, what is holding us back from being able to create that option for farmer?

Mr. WILLIS. I do not believe we need a legislative fix. If we do, I will reach out and let you know that. I think the hard part is all of these producers are in a little bit different situation. Some of them have a lot less water; some of them have more.

In trying to balance the needs of the farmers who need to grow a crop with the taxpayer, you can imagine that when you are not watering quite enough, there is a big gap on how much you water and just trying to make sure that program integrity is at the top of the priority list as well.

But if we need any authority, I will let you know.

AGRICULTURAL MARKETS ABROAD

Mr. YODER. That is something we will have to continue to work on.

Switching gears for a little bit, it is certainly a big issue for Kansas and farmers all across the country is our ability to export grain and meat across the world. It helps put Americans to work. It helps feed the world, and we have got a lot of food aid programs as well.

In our efforts to promote trade and promote these exports, how do we open up more foreign markets? Where are the opportunities for Kansas farmers to be able to sell more of their products overseas?

And in that role we have had some challenges with the rule of law being followed in certain countries where maybe products are being sold or they do not get paid for. How do we ensure that when we go into these new markets that treaties are being followed, that the rule of law is being followed so that we can protect American producers?

Mr. SCUSE. To your first point, as far as getting products into foreign markets, we have just experienced the four biggest years in

agriculture trade in the history of the United States. We just had a record breaking year last year of about $141 billion in agricultural exports. We are on track this year to break that record. We are looking at somewhere between $142 and $143 billion in agricultural trade this year.

What we do is some of the programs that we have like our Market Access Program and our Foreign Market Development Program, we work with our cooperators, our commodity groups to go provide them and cost-share money to go in and open up and develop some of these new markets and get market access for their products.

Hugely successful programs; for every dollar that we spend in these programs, there is a $35 return on investment. That is huge.

We also do trade missions. I will be leading a trade mission to China on May 3rd. We will be taking 27 companies along with us on this trade mission.

My Deputy, Darci Vetter, did a trade mission to Africa last fall. Before that I did one to Turkey in the summer. These trade missions help us open up and develop new markets.

We have staff. I have 96 offices around the world that work in 167 different countries to break down the barriers that you just mentioned, to help us get product in there, product that is stopped at the port, get it moving, if there is an issue with payment, to help get our products paid for at the end of the day.

So we have a great staff and they do a fantastic job of breaking down barriers and helping us get product in the market.

Mr. YODER. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Fortenberry.

FOREIGN MARKETS INFORMATION

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Good morning, gentlemen. Sorry I did not have the benefit of your earlier testimony, but I would like to launch into a couple of points.

First of all, Mr. Karsting, congratulations on your new job. Where are you from in Nebraska?

Mr. KARSTING. Blue Hill, Nebraska.

Mr. FORTENBERRY. There you go. Well, you are clearly well-prepared for your position.

Mr. KARSTING. Thank you.

Mr. FORTENBERRY. Let me turn quickly to the Foreign Agricultural Service. And obviously, you have made a strong case for the investment there, and particularly the balance of trade benefits that we are accruing from our strong exports in this area.

I assume you have had a shift of mission over time, given the advancement in globalization and communications that the old model of statistical research and collections is—has that evolved over time so that the priorities of the function of your agency are somewhat different in terms of negotiating market access?

In other words, it seems to me that global communications and statistical research through the private sector are very significant components of large agricultural commodity players. And is that still a focus of your agency? Is it necessary any longer?

Mr. KARSTING. It is still a focus of our agency. And you are right, there has been enormous advancement in global satellite communication and our ability to do remote sensing. But we also need to realize that there are some countries in the world that do not do as good a job as we do in terms of their information integrity.

And so it is still important for us to have people out in the field who gather information, who write commodity reports, who do estimates, who do those sorts of things. And all these people are multi-talented, you know; they do not just do one thing. They are also there to work through our sanitary and phytosanitary issues that arise in other countries. And so they are covering the waterfront in many places. So the tasks have changed, but the importance of those tasks is still the same.

Mr. FORTENBERRY. So you do not have a statistical specialist; you have generalists who are working on a host of important agricultural concerns?

Mr. KARSTING. Well, we have got people who specialize in certain commodity or regional sectors. But in the field, a lot of our foreign service officers are very multi-talented. They can cover the waterfront, from analytics to diplomacy to foreign regulatory issues. So they have to be cross-trained in a lot of different areas.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

Mr. FORTENBERRY. In regards to diplomacy, we are in the advent of consideration of a new transatlantic trade agreement. This is very interesting to many European countries. The concept really has not taken hold yet, particularly in this body.

One of the thorniest points of any sort of agreement that could potentially be reached is obviously in the field of agriculture. One of the potential benefits of strengthening the transatlantic alliance is not only to set up rules of commerce and engagement that are regularized, standardized, that should promote efficiencies between our countries, but also it sets up some potential outcomes that I think are very significant for the world at large, where you have governing structures that are similar.

You have cultural affinities that are consistent with the buildout of civil society that protect labor standards, environmental standards, as a part of normal governing structures. These are the problems we encounter when trying to work out trade agreements to ensure that they are both smart as well as free and fair.

When you have other countries who are not applying the same set of standards, whether that be in areas of human rights, human dignity, which translates into labor standards and, again, the indirect subsidies that come from governments that are not market-based economies, all create an unlevel playing field. With the Europeans, you do not have this dynamic as much.

So the point being is, there is huge potential here that goes beyond just, again, the efficiency gains from trade into establishing a norm, a set of norms, for the development of civil society that could be very attractive to a number of other places in the world.

The complicating factor, though—one of the complicating factors—is agriculture. We have differing systems of agriculture, and strong desires on both sides of the Atlantic to protect the nature of those systems.

How do you foresee working through those dilemmas and dynamics?

Mr. SCUSE. Collectively, the E.U. is our fifth largest trading partner. But the trade between the United States and the E.U. has been stagnant now for many, many years. As you pointed out, there are differences between their programs and ours. There are differences in SPS issues. We have tariff issues with the E.U. countries. There is also, as pointed out earlier, the demand that the E.U. is wanting the geographical indicators recognized.

So these are all very important issues that, as the negotiations proceed between the United States and the E.U. on the TTIP negotiations that we are going to have to find a way to address those issues. And it is not going to be easy.

Mr. FORTENBERRY. Yes. The deeper point being is you hope that the complexities of agricultural policies in both areas do not erode the potential for the development of a pathway for stronger trade alliances. Because the benefits of this extend beyond just market benefits. They extend to the whole concept of governance as a 21st century pathway for many countries throughout the world.

And then suddenly you are in harmony as a trading block of one billion people, and you have a platform for the furtherance of security arrangements as well as other development ideals that I think is, again, very significant as we project out into the 21st century.

One of the thorniest areas, though, I think, is going to be the agricultural sector. Am I reading that right?

Mr. SCUSE. Yes, sir.

Mr. FORTENBERRY. So not only are your—you talked about your foreign service field personnel being skilled in a whole host of waterfront issues, but the diplomatic one is really a key, I think, in working through the dynamic difficulties that are here.

Mr. ADERHOLT. Mr. Fortenberry, Mr. Farr wants you to yield a second. He has got a question for you.

GEOGRAPHIC INDICATOR

Mr. FARR. I just wanted you to describe what a geographical indicator is.

Mr. SCUSE. An example would be Parmesan cheese. It comes from a specific area. So what they would say is, you cannot use the name Parmesan cheese on any other product that is produced anyplace else. It can only be used in that area where that product is produced.

Mr. FARR. Like the wine appellations?

Mr. SCUSE. Yes, sir.

Mr. FORTENBERRY. Mr. Chairman, is our clock still malfunctioning, or am I really out of time?

Mr. ADERHOLT. You are really out of time. [Laughter.]

MODERNIZE AND INNOVATE THE DELIVERY OF AGRICULTURAL SYSTEMS (MIDAS)

Mr. ADERHOLT. I want to go back. As you know, I think probably the biggest issue that has come out of the hearing today is the concern about the office closures and the county office staff reductions. Let me just touch back on that one more time before I go on.

The savings associated with the closure of the offices and elimination of the personnel is fully dependent upon the success of the MIDAS computer systems that are in the field. USDA has spent approximately $375 million, maybe more, on the system. USDA's chief information officer gave this project a 1 out of 5, with 1 being the worst, 5 being the best.

FSA does not have a plan to retire legacy web form of applications and to stop the dual support model above legacy web farm and MIDAS. How do you achieve these savings if your plan is based upon an IT system that is overdue and over budget?

Mr. SCUSE. Well, MIDAS has been, up to this point in time, we believe, a success. If you look at the reasons for MIDAS, we were using a system that was developed back in the mid-1980s that had far, far outlived its anticipated life cycle.

So there was a need to put our information on a platform that we were going to have faith and confidence in going forward that was going to be stable. So we have accomplished that first part of MIDAS. We now have our information. All of our records are on that platform, a stable platform that we now can build on going forward into the future.

Right now we are in the process of re-baselining for the next part of MIDAS, which will allow us to do the acreage reporting and inventory reporting for our producers. And once that is completed, what that is going to allow us to do is having everything, for the very first time—as I pointed out earlier, we needed to modernize. This will be first time that we have all of the information on a single system.

If you walked into a county office in the past, you would go to do a crop report, our staff would have to go back between two different systems. That is how difficult the process actually was, and it was very time-consuming. So once we get the second part of MIDAS completed, it will have everything on the same platform.

And we will then be able to build upon that platform, moving things from the web farm eventually into a MIDAS platform. As it exists today, because of the farm bill and the need to implement the farm bill, we are looking at ways that we can implement it, and implement it in a timely fashion. Most of those programs will be implemented into the web farm. But at some point in time, once we are finished, we can migrate those into the MIDAS platform.

Mr. ADERHOLT. When will acreage reporting be available?

Mr. SCUSE. We are working on the re-baseline, again, right now, and we hope to have that available next year.

FSA STAFFING

Mr. ADERHOLT. Let me turn to the timing of staff reduction. The farm bill includes some new, complex programs that must be implemented by FSA at the time your budget proposes saving $61.6 million in elimination by 815 nonfederal staff. The 815 nonfederal staff, how did you arrive at this number and the amount of savings that you would accumulate?

Mr. SCUSE. Looking at what our needs were going to be going forward and what our budget was going to be, we looked at our staffing levels and where those reductions were going to need to be, and at what level we were going to need those reductions.

If you go back and you look at our budgets the last few years and if you look at the reductions that we have had, we are continually looking for ways to do savings, not necessarily with staff, but we are looking at ways within the Farm Service Agency as well as the rest of USDA, to look at how we can save money.

The Secretary's blueprint for success, if you look at what the blueprint has saved over the last few years, we are continuing to build on that to look for savings. And quite frankly, we will continue to be responsible with taxpayers' money.

Mr. ADERHOLT. But as far as the 815 nonfederal staff, specifically how did you come to that 815?

Mr. SCUSE. We were looking again at a budget and where we were going to have to make reductions.

Mr. ADERHOLT. When you reduce staff, does that go through layoffs? Voluntary buyouts? How do you——

Mr. SCUSE. Well, if you look at how we reduced staff in the past, there are Voluntary Early Retirement Authority (VERA). You do it through natural Voluntary Separation Incentive Payments (USIPS) attrition. There is a whole host of tools that you can use to eventually get down to the number that you need to get to. There is a certain amount of attrition that we go through each and every year.

Mr. ADERHOLT. With what is going on right now with all the changes, is it the right time to eliminate these folks in the county offices?

Mr. SCUSE. Well, again, we are looking at 2015's budget. So we are looking at a lot of these programs being done this fall, this year, this calendar year, as well as into next spring. So we are not looking at an immediate reduction of over 800 people. Again, we are going to have that staff available to us as we implement ARC, PLC, dairy, and some of the other programs.

Mr. BISHOP. Will the gentleman yield?

Mr. ADERHOLT. I will.

Mr. BISHOP. You mentioned some nonfederal positions that will be eliminated. I have had some concern expressed by some of the people in the peanut harvesting sector, I think a contract to grade peanuts once they come out of the field. They are not technically federal employees; I think they are contract employees. Are they in the category of folks that you are looking at?

Mr. SCUSE. No, sir, because again, they are contract employees and they are contracted to provide us with a specific service that we need.

Mr. BISHOP. Okay. So I can tell them that they do not have to be as anxious as they have been?

Mr. SCUSE. Correct.

Mr. ADERHOLT. Okay. Mr. Farr.

CALIFORNIA NUT PRODUCTION

Mr. FARR. Since California is the biggest producer of nuts and fruits, do you think that we would be a geographical indicator if they call us the land of fruits and nuts? [Laughter.]

Mr. SCUSE. Congressman, I am not going to touch that one. I hope you understand why.

Mr. FARR. We are proud of that.

Mr. SCUSE. You should be. In fact, the fastest-growing sector in our agricultural trade is tree nuts. And when I visited California just last month, the amount of new pecans—or not pecans, but almonds and walnut plantings was pretty impressive. But it is the fastest-growing sector.

Mr. FARR. Well, Blue Diamond is sitting right behind you.

Mr. SCUSE. Okay. Well, good.

Mr. KARSTING. Can I just say I had occasion to be in the nut market in Delhi a couple weeks ago, and there is a huge California walnuts sign up. I think walnuts are relatively new there. And walking in, there was a big push cart full of California pistachios. So you are everywhere.

CROP INSURANCE FOR SPECIALTY CROPS

Mr. FARR. We are the only State that produces those, so it is good they have the California label on there.

I want to go back to—Mr. Valadao was asking a question on specialty crop insurance. He indicated that you can renegotiate in 2016. And I think the question, though, is that because—my familiarity with this is you are getting into specialty crops, which never had all the actuarials.

And it is not like wheat and corn, where you have the standard crop every year; you know what the yields are; you know what all the indicators are. Our growers do not even know what they are going to plant. They will grow three crops a year, and every one of them will be different, and next year it will be another three, on the same acre of land.

So it is really difficult to get that sort of actuarial information. And the people that seem to know that really well are the crop insurance agents. Your statement was that the policy has to work and be affordable, and that the farmer has to know about it.

It is not going to be the federal agents on the ground that are going to sell those two things; it is going to be the crop insurance agents. And I just want to know if you are going to allow them, in your next renegotiation, to help you participate in those decisions.

Mr. WILLIS. Certainly. I agree 100 percent.

CROP INSURANCE COMMISSION

Mr. FARR. As you told Mr. Valadao, they were left out of this last standard reinsurance agreement. You did not have any agent input.

Mr. WILLIS. Your point is valid, especially as we expand to cover crops that historically have not been covered before, which involves producers who need to learn about the program. The agents are the link. They are the ones that teach the producers. The producers rely upon them.

In the last SRA—the SRA is a contract between the companies, the Approved Insurance Providers—AIPs that deliver the program, and the Risk Management Agency. As we look forward to the next one, and if the decision is made to renegotiate in the next few years, it will still be a contract between the AIPs, the companies, and us. But I am open to——

Mr. FARR. And I understood you limited the commissions. Is that standard in ag insurance?

Mr. WILLIS. In the last SRA—I think it was 2011, 2012—they did put a cap on there, trying to balance the needs of taxpayers and program costs. Obviously we feel the program—the agents have done a very good job building up the program.

Mr. FARR. Is that standard in all ag crop insurance which the department works in, to put a cap?

Mr. WILLIS. Well, the SRA governs all crop insurance. It governs all the relationship between the companies and how much is provided to the companies in administrative and operating expenses. That is where the——

Mr. FARR. So is that a standardized cap, or what is it? Because there was a push-back.

Mr. SCUSE. There was, and it was unfortunate. But there was justification for doing it. In certain areas of the United States, there was a huge disparity between what the agents were getting paid. And it was not uncommon for agents to shop around to the different companies to get a higher percentage.

And so it was creating issues within the industry. So that is why the commission cap was put on, to eliminate the agents going from one company to another company, and that huge disparity between the different regions of the United States.

Mr. FARR. And that was not just for specialty crop insurance? That is all——

Mr. SCUSE. No, sir. It was for——

Mr. FARR [continuing]. Ag insurance?

Mr. SCUSE. Yes, sir.

FOREIGN AID LOCAL AND REGIONAL PROCUREMENT (LRP)

Mr. FARR. I have a question for Mr. Karsting as well. The farm bill passed in January. It was difficult to change the budget request at a late date. But I am really disappointed that the Administration did not request any funding for the local and regional procurement, or the LRP. I think the farm bill authorized it at $80 million in the farm bill.

I think that that LRP concept will provide significant savings. A GAO report found that food purchased locally was 25 percent cheaper than U.S. food-in-kind aid, and 34 percent cheaper in sub-Sahara Africa. And that was an administration ask. It was one of their priorities. Why was not any request made for this new local and regional procurement account?

Mr. KARSTING. Let me just first acknowledge with appreciation the fact that there were food aid changes in the farm bill. I think everybody deserves some credit for working through that.

Our budget process was pretty well along the way before the farm bill was passed, and so we were not able to incorporate that into the budget. I would say that we are doing a lot of listening sessions on farm bill implementation. We have had one on the LRP provisions in the farm bill, and we will be working on regs on that. We have to publish a regulation to make that happen first.

And in some sense, we are a little bit ahead of the curve in wrapping our process around that because we have had a pilot program that has come from the Appropriations Committee. So I will say

that we will work on that, and the timing just was not good this year between the farm bill and the budget. But it is something that we take seriously, and we are grateful to have that authority in the farm bill.

Mr. FARR. Thank you. My time is up. I would like to have another round with this. A lot of us were in Ethiopia last summer and really got briefed on how that whole region is working. And I have got a lot of questions to ask.

Mr. KARSTING. I would welcome a chance to visit.

Mr. YODER [presiding]. Mr. Nunnelee.

IMPROPER PAYMENTS

Mr. NUNNELEE. Thank you, Mr. Chairman.

The Farm Bill that we just passed included reforms and changes to the crop insurance program, and I think the majority of the Congress recognized, and the President recognizes, that it is important for the farmers to have some kind of a backstop so that they will have the assurances that if disaster hits, if significant problems hit, that they can repay their loans. It is part of the system of getting the crops in the ground and then ultimately getting them on the table of the American people.

I know that USDA has got a goal to reduce some of the improper payments, because any time there is some kind of backstop like that, there are going to be people who are going to be attracted to them.

I see you have a four percent target to reduce your improper payments in the next fiscal year. But I see recent news reports of groups like the three-year savings program with ties to the Nation of Islam; Louis Farrakhan gets $160,000 in federal subsidies. The Audubon Society gets a million dollars in federal subsidies.

These do not seem to me to have strong ties to agriculture in need of that backstop. So are these the kind of folks that you are trying to work and eliminate in these improper payments?

Mr. SCUSE. We are looking across the whole spectrum. It is not just any one group or any one particular individual, and it is whether it is RMA or FSA. We want to make sure that those that are due the payments receive those, and those that should not be receiving them do not.

And that is why RMA has hired a contractor to start looking at ways that we can get that error rate down to the 4 percent that is being projected; right now, it is just a little over 5 percent. I think it is about 5.3 percent. And we will continue to look at data mining through RMA. The Farm Service Agency goes out in the field and does compliance checks for our programs as well as RMA's programs.

So we are going to continue to look at ways that we can decrease that error rate to the very best ways that we possibly can.

Mr. NUNNELEE. All right. Let me hear from RMA. What is in the taxpayers of the 1st Congressional District of Mississippi's interest in making payments to this three-year savings program tied to the Nation of Islam, to the Audubon Society? Why should my taxpayers support that?

Mr. WILLIS. Without looking at what you have in front of you, I believe those are actually not crop insurance payments because the crop insurance premium is not published on the website, sir.

Mr. NUNNELEE. So do you know what they were?

Mr. SCUSE. Would you supply us the information? And we will be more than glad to get a response to you. It is hard for us to answer a question unless we have the specifics. If you will get us the specifics, we will provide you with an answer.

Mr. NUNNELEE. We will follow up and do that. Thank you.

Mr. SCUSE. Thank you.

Mr. YODER. Mr. Bishop.

Mr. BISHOP. Thank you very much. I would be remiss if I did not ask Mr. Scuse and Mr. Garcia to convey to the Secretary that we appreciate the fact that we are getting close to getting an FSA director in Georgia. We have been without one for a while, and that has created quite a bit of angst with what is coming up now in the beginning of the planting season. So thank you for that, and let's hope we can bring that to a close.

Mr. SCUSE. We are working on it.

AGRICULTURAL TRADE ADVISORY COMMITTEES

Mr. BISHOP. Thank you. Let me ask, regarding the Foreign Agricultural Service, the Fruit and Vegetable Agricultural Technical Advisory Committee and the Agricultural Policy Advisory Committee were established in 1974 as a formal way for the private sector to communicate with the U.S. Trade Representative and the Secretary of Agriculture about agricultural trade issues.

The advisory committees are jointly managed by USDA and the Office of the Trade Representative. What is the status of the membership on the Fruit and Vegetable Agricultural Technical Advisory Committee and the Agricultural Policy Advisory Committee? Are they functioning? Do they have representation from all of the appropriate groups that are struggling to really maintain our market share in the global marketplace?

Mr. SCUSE. We just had a meeting of the APAC/ATAC committees last week with Ambassador Froman and Secretary Vilsack. As membership becomes vacant for specific commodities, we work to fill those as quickly as we possibly can.

But we do have regular meetings with the Secretary and with the Ambassador for those groups where they get to hear from the Ambassador and from the Secretary, and then there is the feedback to the Ambassador and Secretary for the different concerns that the different groups have.

So we are having meetings. We do take it very seriously. It is great membership. But again, they are functioning.

Mr. BISHOP. But how many commodities are represented, and how often does it change? Are there commodities that want to participate but they do not have a slot?

Mr. SCUSE. It is a pretty big list. If you would like, why don't we provide you with a list of those groups that are represented on the APAC/ATAC committees, okay?

Mr. BISHOP. I would appreciate it.

Mr. SCUSE. Yes. We will provide you with a list.

USDA / USTR Joint Advisory Committees for Trade in Agricultural Products
List of Members

Agricultural Policy Advisory Committee (APAC) for Trade

MEMBER	
Laura Batcha	Organic Trade Association
Jon Caspers	Pig Farmer
Marsha Echols	World Food Law Institute
Sean J. Darragh	Grocery Manufacturers Association
Hezekiah Gibson	United Farmers USA, Inc.
Thomas Hammer	National Oilseed Processors Association
Shannon Herzfeld	Archer Daniels Midland
Roger Johnson	National Farmers Union
Peter Kappelman	Meadow Brook Dairy Farms
Alan Kemper	Kemper Farms
Robert Koch	The Wine Institute
Dr. Won W. Koo	North Dakota State University
Mark D. Lauritsen	United Food and Commercial Workers Union
Ronald Litterer	Litterer Farms
Rik Miller	DuPont Crop Protection
Brenda Morris	Morris Farms
Daniel Moss	Moss Farms Partnership
Gary Murphy	U.S. Rice Producers Association
Thomas Nassif	Western Growers Association
Forrest Roberts	National Cattlemen's Beef Association
Christian Schlect	Northwest Horticultural Council
Philip Seng	U.S. Meat Export Federation
Michael Stuart	Florida Fruit & Vegetable Association
James Sumner	USA Poultry & Egg Export Council
Alan Tracy	U.S. Wheat Associates
Robert J. Underbrink	King Ranch, Inc.
Larry Wooten	North Carolina Farm Bureau
Michael Wootton	Sunkist Growers

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List of Members

Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products

MEMBER	
Jill Appell	Appell's Pork Farms, Inc.
Elwood Barth	North Dakota's Farmers Union
John Bauer	Basic Food International, Inc. & Global Food Corporation
Joe Bezerra	California State University Agricultural Research Institute
Edward Blair	Blair Brothers Angus
Theresa Brophy	Maryland Department of Agriculture
Donald Butler	Murphy-Brown LLC
Jaime Castaneda	National Milk Producers Federation
Anthony Clayton	Clayton Agri-Marketing, Inc.
Mark Davis	Davisco Foods International, Inc.
Stephen Foglesong	Black Gold Ranch & Feedlot
Alvaro Garcia, Ph.D.	South Dakota State University
Luisa Jaca	Jaca Livestock
Elizabeth Krushinskie	Mountaire Farms, Inc.
Michael Lemmon	Whiteshire Hamroc, LLC
Richard Lively	U.S. Meat Export Federation
James McCan	McFaddin Enterprises
Philip Nelson	Farmer
Errol Rice	Montana Stockgrowers Association, Inc.
Paul Rodgers	American Sheep Industry Association
William Roenigk	National Chicken Council
Neal Schuman	Arthur Schuman, Inc.
Harold Shenson	Nature's SunGrown Foods, Inc.
Thomas Suber	U.S. Dairy Export Council
Kent Swisher	National Renderers Association
William Westman	American Meat Institute
John Wilson	Dairy Farmers of America, Inc.
Douglas D. Wolf	Wolf L&G Farms, LLC

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List of Members

Agricultural Technical Advisory Committee (ATAC) for Trade in Fruits and Vegetables

MEMBER	
Julie Adams	Almond Board of California
Dennis Balint	California Walnut Board
Barry Bedwell	California Grape and Tree Fruit League
Susan Brauner	Blue Diamond Growers
Jon Brekken	Seneca Foods Corporation
Reginald Brown	Florida Tomato Exchange
James Cranney	California Citrus Quality Council
George Davis	Porter Creek Vineyards
Matthew Harris	Washington State Potato Commission
John Hoblick	Florida Farm Bureau Federation
Richard Hudgins	California Canning Peach Association
Jeanette Lombardo	Mission Community Bank
Katherine Means	Produce Marketing Association
Todd Michael	Michael Farms Inc.
Joel Nelsen	California Citrus Mutual

April 25, 2014

USDA / USTR Joint Advisory Committees for Trade in Agricultural Products
List of Members

Agricultural Technical Advisory Committee (ATAC) for Trade in Grains, Feed, Oilseeds and Planting Seeds

MEMBER	
Mark Anderson	Anderson Hay & Grain Company, Inc.
Stanley Baker	Infinity Lawn and Garden
Robert Cummings	USA Rice Federation
Dennis DeLaughter	Progressive Farm Management
Neal Fisher	North Dakota Wheat Commission
Scott Fritz	Fritz Black Sand Farms, Inc.
Floyd Gaibler	U.S. Grains Council
Lurlin Hoelscher	Hoelscher Ag Distributer, Inc.
William Hoffman	Farmer
Ellen D. Joslin	W.R. Joslin and Son, Inc.
Peter J. Klaiber	USA Dry Pea and Lentil Council
Joe Kapraun	GROWMARK, Inc.
Daniel Kidd	Kidd Brothers Farms
Donald Latham	DTB Farms, LLC
Daniel Murphy	American Soybean Association
Joel Newman	American Feed Industry Association
Michael Nichols	Nichols Family Farms LLC, Nichols Farms Corp., Inc. LLC
Candace Roper	CoBank Agricultural Credit Bank
Claude Rosson, III	Texas A&M University
Michael Rue	Catlett Warehouse
Shannon Schlecht	U.S. Wheat Associates
Doug Sombke	Sombke Farms
Larry Stenberg	Dow Agro-Sciences
Steven Wellman	Wellman Farms, Inc.
David Winkles, Jr.	South Carolina Farm Bureau

April 25, 2014

USDA / USTR Joint Advisory Committees for Trade in Agricultural Products
List of Members

Agricultural Technical Advisory Committee (ATAC) for Trade in Processed Food Products

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Andrew Anderson	Western United States Agricultural Trade Association
Robert Anderson	Sustainable Strategies, LLC
Robert Bauer	Association of Food Industries
James Finkle	Constellation Brands Inc.
Robert Garfield	Food Marketing Institute
Ann Grappin	Yum! Restaurants
Timothy Hamilton	Food Export Association of the Midwest/Northeast U.S.A.
Elizabeth Hill	Ocean Spray International Services, Inc.
Jerry Hingle	Southern United States Trade Association
Shawn Jarosz	Trade Moves, LLC
Carolyn Kitchen	Land O' Lakes, Inc.
Thomas LaFaille	The Wine Institute
Christine LoCascio	Distilled Spirits Council of the U.S.
Kasey Moctezuma	Quality Assurance International
Carlos Pena	The Campbell Soup Company
Richard Sadler	Dundee Fruit Company
Carmen Stacy	Grocery Manufacturers Association
Ronald Tanner	National Association for the Specialty Food Trade, Inc.
Peter Thornton	North Carolina Department of Agriculture and Consumer Services

April 25, 2014

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Frank Day	The Hershey Company
Patrick Henneberry	Imperial Sugar Company
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David Long	Goetze Candy Company, Inc.
Dale Murden	Rio Farms, Inc.
Donald Phillips	American Sugar Alliance
David Rosenthal	Corn Refiners Association
Judy Sanchez	United States Sugar Corporation
James Simon	American Sugar Cane League of the U.S.A., Inc.
Ray Van Driessche	Michigan Sugar Company
John Yonover	Indiana Sugars, Inc.

April 25, 2014

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Michelle Huffman	National Cotton Council of America
John Mitchell	Autauga Quality Cotton Association
Monique Muggli	Campaign for Tobacco-Free Kids
James C. Pate	Rowland Farms, Inc.
Roger Quarles	Burley Tobacco Growers Cooperative Association
James Quinn	Carolinas Cotton Growers Cooperative, Inc.
Harry Schroeder	Oklahoma Cotton Council
Sledge Taylor, III	Buckeye Farms
Clyde Wayne, Jr.	Tobacco Associates, Inc.

April 25, 2014

WORLD TRADE ORGANIZATION ISSUES

Mr. BISHOP. Do you have anything that you can add to what is happening with the Trade Representative and our WTO problems and the various commodities—the Brazilian issue with cotton, and any others? Can you comment on those?

Mr. SCUSE. Well, there is always going to be some issues with trade with various countries that we are dealing with. Right now, with the WTO case with Brazil, we continue to have meetings with representatives of the Brazilian government to find a resolution to this issue.

There was just a meeting with the Brazilian government two weeks ago. In fact, my counterpart will be in Washington tomorrow afternoon that I will be having a meeting with. So we continue to work towards finding a resolution to that issue.

Mr. BISHOP. Were they pleased? Did the passage of the farm bill and the provisions of the farm bill help at all with the negotiations there?

Mr. SCUSE. That is part of what the discussions are centering on—the farm bill, the impacts, if in fact it did cover the intent of the case. But those are some of the discussions that we are having right now.

Mr. BISHOP. All right. Thank you very much.

INTERNATIONAL FOOD AID

Mr. YODER. Mr. Secretary, the President's budget would allow 25 percent, which is the equivalent of $282 million, in the Food for Peace program to be turned into cash assistance. The proposal claims this would help two million people. This would be $282 million in cash assistance as opposed to $282 million of Kansas farmers or California farmers producing crops and sending them over, so it is less support or options for American producers to produce goods.

Why did the budget propose this change? After Congress had litigated this issue in the farm debate and the 2014 farm bill on the emergency side, why did the budget not ask for a $282 million increase for existing cash assistance programs like the development assistance program at USAID rather than trying to make major policy changes through the annual funding bill? And how do you know this change would reach two million people?

Mr. SCUSE. Well, I think that again, as pointed out earlier, if you look at when the budget was actually done and when the farm bill was passed and signed, there is a difference in the timing there. So the two do not necessarily pair up as well as what some would like it to.

What we believe is that this will allow us to provide assistance much faster. It is going to allow—when you do local and regional procurement of these products, it helps to build an agricultural sector, which is one of the things that we want to accomplish. And again, it is going to get us aid to many of these people a lot faster.

If you look at how we traditionally provide food assistance, by the time it is purchased and it is moved and it is shipped and it gets in country, we are looking at a period of 10 to 13 weeks in most cases. When you look at some of the emergency situations,

they need food assistance much faster than that. And this is one way that we believe that we can get that food assistance there faster.

As far as the number of people, there is the formula that you use based on the money that is made available as to how many people you believe that you can feed with a funding source.

Mr. YODER. Well, I guess I am just concerned that the proposal would diminish the reforms in the farm bill, first of all, and we have discussed that, such as the requirement that food be labeled as being furnished by the people of the United States of America, and assurances that the food is reaching those who need it.

I am also concerned that turning the Title II program into a cash assistance program would cause it to lose support from farm and transportation groups. In fact, since the 2008 farm bill when the initial policy changes began to take effect, funding for the program has been reduced by 40 percent. So a couple followup questions.

Are you concerned that converting one-quarter of the emergency food program into cash assistance will continue to lead to a trend of further decreases in funding? And how assured are you that we can track the dollars being spent in this program when we have fraud in other programs here in the United States that we are unable to track where dollars are going, and now instead of sending food we are sending cash? How assured are we that we can keep track of these dollars?

Mr. SCUSE. And I do not think that taking a portion of the money today for this local and regional food assistance—I do not think that that can cause a further erosion. Congress is the one that holds the purse strings to the program.

As you pointed out, this program is very important to our agricultural producers throughout the United States because of the commodities that it provides. And when they go in country in a bag that has the flag and U.S. on it, it means a lot. It means a lot to our producers, and it means a lot to those that are receiving that type of assistance. So we understand the importance of continuing to provide a certain percentage of that in U.S. commodities.

I think that we do a fairly good job of tracking today, and as the program evolves, we will have to do an even better job of tracking the funding to make sure that, ultimately, it does go to where it is intended to be sent.

Mr. YODER. Thank you.

Ms. Pingree.

NRCS' 2015 BUDGET PROPOSAL

Ms. PINGREE. Thank you, Mr. Chair.

I want to ask a little bit about NRCS. So in your budget justification, because of the recent decentralization of GSA rental payments, NRCS will have to spend $28.6 million to rent its buildings in fiscal year 2015.

As I understand, it is the first time NRCS will have to pay rent out of the conservation operations budget, yet as I see your budget request for conservation operations, it is only $1.9 million more than last year's level, which does not seem to come close to covering the $28.6 million in additional rental payment spending.

I am concerned about this because this, as you know, includes funding for conservation technical assistance, which is absolutely essential to conservation program delivery. There are a lot of farm bill conservation programs that rely on the strength of conservation technical assistance for their continued success.

So how do you intend to make up the additional funding for NRCS building rental payments, and how will you ensure that the money does not come out of conservation technical assistance?

Mr. WELLER. With that, you are correct. We are going to have to absorb the rental payments as part of our overall budget, and it will be taken off the top because we, at the end of the day, have to pay that rent into the facilities we are in.

That means we are going to have to take a look across our operating budget and really do an additional round of belt-tightening. So in the last several years, we have been pretty successful at that. It means we have a little ways further to go.

So it means even more prioritizing—for example, IT investments. There are investments we would like to make into our own systems to help improve, ultimately, the delivery of our assistance out in the field that have been put on the back burner, so to speak, because of the belt-tightening we have had to take that may impact, in terms of, again, our IT investments.

It impacts the management, for example, of our vehicle fleet. So we may have to delay on refreshing the vehicle fleet, so we will have older vehicles out on the road, which is short term feasible but longer term may impact our operations.

But ultimately, we will have to take a look at additional ways and strategies to leverage our resources. So this is one of the things—to a point, Mr. Farr, you made earlier, about how do we partner with local government? We do a lot of that now where we actually take that federal technical assistance dollar and we leverage that with local governments, with State agencies, with NGOs and partners. And so we are going to have to be more creative with that under the budget proposal.

At the end of the day, we want to maximize the number of boots on the ground we have in the field to provide that one-on-one technical assistance and minimize the amount of overhead. And so the budget proposes that we will be able to do that without impacting harmfully our field deployment and the services we provide.

FSA MICROLOANS

Ms. PINGREE. Well, it is good to hear you say that. I think that is critically important, and I know it will be complicated, but I hope you are able to do that without taking away from technical assistance.

The only other thing I just wanted to mention was about FSA microloans. I think we have talked about them before in this Committee in other capacities, but it is a great program that helps farmers expand operations, increase their value, build up their credit in a low-risk way.

They are a fantastic tool for farmers in my State. In fiscal year 2014, FSA in Maine loaned $160,000 for the microloan program. Now, I know that does not sound like a lot in other States, but in Maine, with only 1.3 million people, that has made a great impact.

I just cannot say enough good things about it and how it has been a great tool for our State, where there are a lot of new, younger farmers, people without a lot of capital, or difficulties accessing capital, and a real interest in our State for opening up more of these markets.

I understand you are in the process of shifting the cap on the microloans from $35,000 to $50,000, which I think is a great first step. And I just want to hear you talk about whether there are other ways to expand the types of projects, business models, revenue-building opportunities for farms to be able to access these loans?

Can you speak a little bit to the response from the small- and medium-size family farms to this program, and is there any interest in growing this model at USDA?

Mr. SCUSE. There certainly is. We continue to look for ways that we can help new, beginning farmers, socially disadvantaged, women, get into agriculture, our returning vets. If you look at the microloan program and its success this past year, we made about 3,400 loans. And if you look at it, 50 percent of those loans were first-time borrowers. About 37 percent of those loans were women and socially disadvantaged.

So it has been a tremendously successful program. And now, with expanding the cap to $50,000, we think that we will be able to continue a very successful program and continue its expansion.

Ms. PINGREE. Great. Thank you very much.

Thank you, Mr. Chair.

Mr. YODER. Mr. Fortenberry.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

Mr. FORTENBERRY. Let me just follow up with Ms. Pingree's comments as well to put an accent on this. When you do have the backbone of American agriculture being production agriculture, and as essential and valuable as that is, there has been perhaps a tendency in the past to overlook the options for expanding the agricultural family. And having this more aggressive microloan program seems to leverage significant outcomes.

Not only is it a jobs bill, a local economies bill, but it expands this agricultural family, where you have the average age of the producer being 57 to 58 years old in many places. So I want to mark the importance of this as well in terms of emerging trends in agriculture that are meeting new market demands but also expanding this family. So it is very important.

I do want to return to the earlier editorial comments I was making on the importance of the potential for a transatlantic agreement here. The idea of creating a trade zone which is one billion people is very, very powerful in committing to reducing market-distorting trade barriers that could again result in market efficiency and help people on both sides of the ocean.

It not only has benefits there, but again it creates a platform, a series of outcomes, that speaks to a lot of places in the world that do not have advanced development and economies or even governing structures in place, but who look to the United States, and to some degree Europe, for stability of governing structures and

regularization and standardization so that again, they can reach the fullness of their potential.

So the bigger point being, I think we ought to again aggressively consider this. One of the thorny areas is agricultural policy. I would like you to discuss some of these non-tariff barriers that exist in Europe that would be very difficult for you to overcome. And if that is the case—because it is not clear to me that even within the European Union this is standardized across countries.

So if that is the case, you do not want to let that component potentially interfere with what we could get, both in terms of agricultural trade but also in other areas of commerce.

Mr. SCUSE. Well, I think that the largest non-tariff issue again, as was pointed out earlier, would be the geographical indicators and the impact that it would have on various sectors here in the United States. I think that is a very big one.

If you look at, historically, the barriers—I will use soybeans as an example—there is currently a requirement for an oil-producing crop to be certified as being grown sustainably. We have been working—USTR and USDA have been working now for over three years to convince the E.U. that our producers are in fact producing a soybean using sustainable agricultural practices.

We have provided them all of the information, but still we cannot get them to give us a blanket certification for sustainability. They wanted a certification at the grower level, and it has to follow that soybean from the producer level to the endpoint.

And think about the challenge of that, where a farmer would load it in a truck with a paper, and go to the mill and the paper, and then would go to a barge and down the Mississippi onto a ship, then to an export point or an import point. And the paper would continue to have to follow every producer that had a bean on that ship to its final destination.

And there are similar things that we are facing with the E.U. We have had an issue with the European Union on how we protect our meat using different products. And that has been an issue for us to attempt to work around.

So there are a number of non-tariff issues that need to be addressed, and those are just a couple examples.

Mr. FORTENBERRY. The broader point is, while you continue important efforts to address concerns on both sides to not let some of these things be a trigger point that collapses the entire set of negotiations—in other words, you try to take what you can get in the meanwhile while developing again processes that create standardizations for again removal of trade-distorting issues in the market.

Mr. YODER. Mr. Farr.

INTERNATIONAL FOOD AID

Mr. FARR. [Begins speaking with microphone off.] We were in Ethiopia, Ethiopia being on the Horn of Africa. It is the second largest country in population, about 96 million people. It is also one of our huge programs that we are sending food to, this expensive food that we produce in this country and send, as you just indicated, all the way to distribute in Africa.

And I happened to see the "U.S. food grown in America" label on those sacks. They were being sold in the farmers market in

Lalibela. That was totally taxpayer-supported food to get there, then to be turned into just private use, to be sold at—who knows whether it was competing with local grains at all.

Very picturesque, but not very attractive in the sense of what we were trying to do in feeding this area of the world—I mean, the Sahel, which is the Horn of Africa countries, where half a million kids starved to death last year. So we are not doing a very good job of really getting food to the most hungry people.

I just wondered if you knew how much money we are spending, the USDA and all of our programs, say in Ethiopia. Do you have a figure for that?

Mr. KARSTING. I can speak to the Food for Progress program. We have a $19 million program under Food for Progress in Ethiopia, and I am sure there are other elements that work there, too.

Mr. FARR. There are a lot of others because the total aid to Ethiopia—get this. The total aid to Ethiopia is about $800 million. I mean, that is bigger—the Peace Corps total budget is $375 million. We could have three Peace Corps for the cost of just one country. And that is not all feeding; obviously, we have got some drone bases there, and Ethiopia is a great ally.

But I think that where you are in a role is to be able to—and all the discussion today is, how do you break this culture of poverty? Why do all the poor countries and starving peoples always remain that way? Because we do not empower them to have an agricultural economy.

The country of Ethiopia is wall-to-wall agriculture. But it cannot produce enough to even feed its own population.

Mr. KARSTING. Mr. Farr, just as sort of an aside, I see your Peace Corps cufflinks on there. And I wanted to point out we have got—just in the last few months we've begun a program to make sure that all of the retired FAS people get a quick opportunity and a quick indoctrination into the Peace Corps so that if they want to become Peace Corps volunteers after they are done with their public service as FAS employees, they can do that.

Mr. FARR. Thank you.

Mr. KARSTING. We work on a lot of things in terms of trying to develop markets. We have got Cochran and Borlaug programs, which are scientific exchange programs, to try to build the internal infrastructure so that people can have markets, so that we can create a commercial pathway in these countries.

So I would welcome a chance to visit with you and your staff more. It is something we take very seriously.

CAPACITY BUILDING

Mr. FARR. Well, it is predicted that this year over half a million children are expected to die, and another 1.5 million are expected to suffer from severe, acute malnutrition in the Sahel area, in this region of the world.

Sub-Sahara Africa—it just seems to me that if we were to try to have a model for all the good things that America can do and to try to build capacity—that is what it all is. You prevent war. You prevent everything. You prevent starvation if you teach people to fish.

And we have got to teach people to farm, and have a market for it. And I think the problem we have, and George Bush was the one that started this thing, is we would be better off trying to help them establish agricultural markets by giving them cash than just sending our food over there to be distributed to the NGOs and others. And they sell it in many cases. They admit that right out.

I am very interested in lessons learned here, not just that we are sustaining what we have been doing for the last decade, which has made a big difference, but we ought to be making a much more significant difference by building capacity. And that is where I think the U.S. is—it is what we can do best, with Peace Corps-type programs. But it is also lacking in a commitment.

And I represent a lot of military in Monterey, and these are folks that are right out of Afghanistan and out of Iraq and everything. And it is interesting, because the officers have gotten together with the returned Peace Corps volunteers at the Monterey Institute of International Studies and essentially saying to them, how did you do it? How did you live in those villages in Afghanistan?

They lived there, the Peace Corps, under the Taliban. And they were making differences. The difference is, the military is walking around with a lot of armament and obviously seem to have a different mission.

But the bottom line is stabilization. And food is such a huge part of stabilization. So I think we ought to be spending some money and putting money into things that work. And there must be some lessons that you've learned. And I'd like to have those positive lessons shared with this Committee so we can stop this needless, tragic loss of life.

USDA AND USAID COORDINATION

Mr. YODER. We have got a hearing this afternoon with the State and Foreign Operations Subcommittee, and USAID is coming before the committee. And I noted that the GAO recently noted that USDA and the USAID do not have a written agreement outlining how the agencies collaborate to deliver the Food for Peace program. USDA and USAID's existing memorandum of understanding was signed in 1991, 23 years ago. Since then, Congress has made many changes to the program.

I guess my question would be, does the FAS have updated agreements with other food aid agencies? Is this standard? Do we need to update this agreement? Has the FAS adopted the GAO's recommendations in this area? And what other improvements can or should be made to improve coordination between FAS and USAID?

Mr. KARSTING. We coordinate with USAID on a very regular basis. Their focus is often on emergency food assistance; our work is sometimes more focused on development assistance. And so we try to work that out in a balanced kind of way.

We are implementing OIG recommendations across the board. We take everything the OIG says to us pretty seriously. And so we will continuing implementing those recommendations.

Mr. YODER. Is that consistent with other aid organizations, that you would have 23 years? What is the standard there in terms of these memorandums?

Mr. KARSTING. A lot of our other cooperative agreements are more contractual between us and non-government organizations. If we are doing something through a private NGO, it is government to a private NGO relationship. So those are more contractual. So I will dive into that a little deeper.

TRADE PROMOTION PROGRAMS

Mr. YODER. Yes. It is a fresh topic we have not talked about today. But it seems like that could be refreshed. I assume maybe that is something that we could reestablish that memorandum just in terms of all the changes Congress has made over the years to ensure it reflects current policy.

You mentioned the IG. In March 2013, the USDA IG recommended that FAS should use net increases in market share for each country it works in instead of simply using dollar value increases in exports to measure the effectiveness of trade promotion programs. Has the FAS adopted this recommendation? And what results have you seen?

Mr. KARSTING. First of all, we look at trade. Trade can be measured in a lot of different ways, whether it is value or volume. And so we look at all those sorts of things. In fact, just on April 4th, I think, we had a report on our February numbers, and bulk shipments were up quite a bit. And so we had some good news on bulk.

I think in terms of how we view and how we measure, if you look strictly at bulk, that perhaps does not capture all of your value added. And so we try to look at as many indicators as we can.

Mr. YODER. Do you think market share is a more effective way to measure the effectiveness of a program versus just dollars?

Mr. KARSTING. I want to say this, and I do not want to sound glib. Market share is great unless a farmer is selling a whole bunch of stuff that is not worth very much. And so I think we have to keep track of both market share as well as value.

Mr. SCUSE. And look at not just value but volume of commodities as well.

Mr. YODER. Okay. Fair enough.

Mr. Fortenberry.

INTERNATIONAL FOOD AID

Mr. FORTENBERRY. Right quick to the discussion of food aid, explain the forward positioning of commodities in an attempt to find a balance here between using American products and yet responding to emergency needs quickly. I understand we have developed a fairly rapid system in that regard. And where are those based out of?

Mr. KARSTING. I cannot give you a location. I know that when we have had some natural disasters around the world, we have high-energy biscuits that are prepositioned around the globe, and our programs will lend those to other folks. We get it all loaded up to make sure that those go to places that they are needed most. But I cannot tell you where things are stored.

Mr. FORTENBERRY. Is that in answer to some of the dilemmas here that have been well-stated about trying to assure that U.S. commodities are getting to people who have emergency needs quickly and they are clearly labeled U.S. commodities, and yet at

the same time ensuring that the time delays that would normally be the case, particularly in emergency situations, are mitigated as much as possible?

And then of course we have to wrestle with this deeper question of how much goes toward development and enhanced capacity within an individual country to prevent the kinds of emergencies in the first place.

Mr. SCUSE. Also, there is an issue with shelf life of the various products. And then if you preposition them, there is the cost that is associated with storage of those products as well. So between the time of—the expected life of it plus the storage, you do run into issues where prepositioning some products in other areas.

CONSERVATION RESERVE PROGRAM

Mr. FORTENBERRY. I see. Let me turn right quick, Mr. Chairman, if I could, to the Conservation Reserve Program. We have got a cap of 24 million acres. I think that is down from a high of 39, if I recall correctly.

There is an interesting comment in your testimony, Mr. Secretary. "Given the reduced enrollment caps, we expect general signups to become more competitive in the future, which will likely increase the environmental benefits."

Mr. SCUSE. Yes. The farm bill directed us to have a cap of 24 million acres. We are going to have to take a very hard look at what goes into CRP and the other programs. The environmental benefits, wildlife benefits, there is a whole host of things that we are going to have to really take a serious look at when we are re-enrolling acres in CRP.

Mr. FORTENBERRY. So you are developing a scale of potential benefits that you will—in a more competitive environment?

Mr. SCUSE. Right.

Mr. FORTENBERRY. Instead of recruiting people to put in, you think there is going to be enough demand, but you are going to pick and choose?

Mr. SCUSE. Going forward, we believe that there will be enough demand that we are going to have the ability to have the most environmentally sensitive lands in there, and those lands that will benefit wildlife habitat in key areas of the United States.

Mr. FARR. Will you yield?

Mr. FORTENBERRY. Sure.

Mr. FARR. On that very question, do you do a comparison among States? Most of the stuff that I read that is in CRP—when I was a county supervisor, we would not allow the landowners to farm that land if it was riparian, if it was all those other things that you need that are protected in zoning laws and State laws.

It seems to me in an awful lot of States, you are allowing farmers to farm in land that should not—and paying them not to farm in lands that ought to be zoned or protected for other reasons.

Mr. SCUSE. You and I both come out of county government, and we both recognize that zoning laws from county to county and from State to State are quite different. So unfortunately, some areas where a producer may not be permitted to farm certain lands in other States may be permitted to farm those soils.

Mr. FARR. Using a carrot and stick approach?

Mr. SCUSE. Well, again, going forward, we want to make sure that the acres that are enrolled in our programs are going to be the lands that are the most environmentally sensitive and that have specific reasons for being enrolled in these programs for various types of wildlife habitat.

Mr. FORTENBERRY. What you would hope to achieve is a public benefit that is perhaps equal to or greater than the previous levels of land in reserve because of the expanded nature of how you are defining the benefit, based upon a more targeted approach here?

Mr. SCUSE. Correct.

Mr. FORTENBERRY. I think that is what you are commenting on.

Mr. SCUSE. Yes.

Mr. FORTENBERRY. So this list of criteria or factors is not developed yet?

Mr. SCUSE. No. That is something that we are working on.

Mr. FORTENBERRY. I would be curious to see that once you have developed it.

Thank you, Mr. Chairman.

Mr. YODER. With that, our meeting is concluded. Gentlemen, thank you for your testimony today, and the meeting is adjourned.

UNITED STATES DEPARTMENT OF AGRICULTURE
FIELD AGENCIES HEARING
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
APRIL 8, 2014

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

FOREIGN AGRICULTURAL SERVICE

Foreign National Separation Liability Trust Fund (FNSLTF)

Mr. Aderholt: Please provide the legislative authority for the FNSLTF.

Response: FNSLTF was authorized in the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138). The relevant section is provided for the record.

[The information follows:]

SEC. 151. FOREIGN NATIONAL EMPLOYEES SEPARATION PAY.

(a) ESTABLISHMENT- There is established in the Treasury of the United States a fund to provide separation pay for foreign national employees of agencies of the United States Government, other than the Department of Defense.

(b) FUNDING- There shall be deposited in such account--

(1) all amounts previously obligated for accrued separation pay of foreign national employees of such agencies of the United States Government; and

(2) amounts obligated for fiscal years after 1991 by such agencies for the current and future costs of separation pay of foreign national employees.

(c) AVAILABILITY- Amounts shall be deposited in the fund annually and are authorized to be available until expended.

(d) EXPENDITURES FROM THE FUND- Amounts deposited in the fund shall be available for expenditure to make separation payments to foreign national employees in countries in which such pay is legally authorized.

Mr. Aderholt: Please provide a five-year funding history table.

Response: The Foreign National Separation Liability Trust Fund (FNSLTF) account for FAS was established in FY 2013. The information is provided for the record.

[The information follows:]

FY 2008 - $2,500,000 [a/]
FY 2009 - $ 0
FY 2010 - $ 500,000 [a/]
FY 2011 - $2,000,000 [a/]
FY 2012 - $1,752,000 [a/]
FY 2013 - $8,219,000 [a/]
FY 2014 - $4,000,000 [b/]

[a] *from unliquidated balances*
[b] *from unobligated appropriations*

Mr. Aderholt: Funding for the FNSLTF comes from FAS S&E appropriations. How much does FAS plan to allocate in FY 2015 to this account?

Response: At the end of FY 2014, the FNSLTF will be fully funded through FY 2014. For FY 2015, FAS plans to transfer an estimated liability in the amount of $629,000 to the FNSLTF account.

U.S. Agricultural Trade Policy

Mr. Aderholt: Agricultural trade has been one of the few bright spots in the economy. U.S. agricultural exports have achieved record levels by exceeding $478 billion over four years and agricultural exports are on track to set a new record this year. Against the backdrop of a very poor economy in the past four years, the Agriculture community can take pride in the positive impact of U.S. agricultural exports. A number of trade experts believe that there is far greater potential for growth of U.S. exports simply because 95 percent of the World's consumers live outside of the United States and the world markets will demand the high quality products produced by U.S. farmers, ranchers, and producers. This is the second year in a row when Congress has failed to see any new efforts, initiatives or plans by USDA to do more for U.S. agricultural exports.

In a recent report, the Inspector General recommended that FAS should use net increases in market share for each country it works in instead of simply using dollar value increases in exports to measure the effectiveness of trade promotion programs.

Has FAS adopted OIG's recommendation? Please update the Subcommittee on efforts to implement these recommendations.

Response: FAS agreed with OIG that there could be additional means to more clearly depict the whole picture of how FAS actions are affecting the global market for American agricultural goods. FAS also agreed with OIG that changes in U.S. market share are an outcome-based measure that could be useful. To implement the OIG recommendation FAS is preparing a new process of analyzing foreign market imports to identify trends that will link individual Country Strategic Statements to the FAS Strategic Plan. Knowing the data-driven results of where and how the U.S. is competitive will allow FAS to focus trade promotion programs where they can be most effective.

Mr. Aderholt: Does FAS plan to include similar measures or geographically based initiatives (i.e. funding targeted to a specific region, country, etc.) in its FY 2016 budget request for increases, decreases, or base funding?

Response: The President's FY 2016 Budget is currently under development and we cannot provide further specific comments.

Since FY 2006, FAS has performed a Global Review, which has been conducted in close dialogue with agricultural stakeholders to ensure expanded export opportunities for U.S. agriculture overseas. The Global Review is FAS' annual process which helps inform the aligning country of coverage and overseas office staffing needs.

Web Based Supply Chain Management (WBSCM)

Mr. Aderholt: GAO recently released a report documenting faults and mismanagement with the WBSCM system. Please update the Subcommittee on USDA and USAID's efforts to adopt GAO's recommendations.

Response: In general, USDA agrees with GAO's recommendations. As with most systems after full production release, WBSCM encountered some challenges, and in the past three years significant improvements were made. Many of the challenges reported have been corrected, such as: system performance, improved international goods received, and the addition of the stevedore role. Additional work instructions and job aids were developed to help users realize the full functionality of the system. In addition, a technical refresh was completed on August 5, 2014, and addressed systems access issues, legacy support constraints, and system sustainability.

The efficient procurement of food aid commodities is a USDA priority, and FAS continues to work within USDA and with USAID to realize the system's full use for all international food aid procurements. To facilitate a change in methodology, a review and re-engineering of the current business process (BPR) of the food aid programs is required. The BPR effort, planned to begin in Fiscal Year 2015, includes a review of WBSCM customer needs. A core objective of the BPR effort is the sustainability of USDA food aid programs through an effective and efficient business process relevant to both food aid recipients and suppliers. This will provide the ideal opportunity for all parties involved to collaborate in defining user requirements and determining a path forward. The effort will involve input from USDA's Food and Nutrition Service, Agricultural Marketing Service, Farm Service Agency, and Foreign Agricultural Service, as well as USAID and external WBSCM users.

Mr. Aderholt: Please provide any and all funding history by Fiscal Year and funding source that originated from FAS or related programs. Does FAS plan to provide or request any additional funding for WBSCM in FY 2014 or 2015?

Response: FAS has not provided any funding for WBSCM and does not plan to provide or request any additional funding for WBSCM in FY 2014 or 2015.

International Cooperative Administrative Support Services (ICASS)

Mr. Aderholt: Please provide a five year funding history for ICASS charges to FAS. Please include the percentage and difference in year over year changes.

Response: The information is submitted for the record.

[The information follows:]

ICASS Funding History			
Fiscal Year	**Funding ($000)**	**Increase ($000)**	**%**
2011	17,444	0	
2012	18,493	1,049	6.01%
2013	19,727	1,234	6.67%
2014	21,243	1,516	7.68%
2015	24,087	2,844	13.39%
Total	**$100,994**	**$6,643**	

Mr. Aderholt: The FY 2015 Budget Request includes an increase for ICASS charges. This is one of many year-over-year increases requested. Please explain in detail what is causing the increases and what measures can be done to limit the increases and/or provide savings.

Response: ICASS was established by the Omnibus Consolidated Appropriations Act, 1997 (Public Law 104-208). The ICASS system is the principal means by which the Department of State (DoS) provides and shares the cost of common administrative support to the Foreign Agricultural Service (FAS) and all other customer agencies at the more than 200 diplomatic and consular posts overseas. In FY 2015, FAS will face increased ICASS costs due to growth in ICASS direct hire positions, mandatory subscription to ICASS furniture, security, and appliance pool services, and increased wage expenses for ICASS local employed staff (LES). For the past two fiscal years, the ICASS platform growth has been limited due to hiring and wage freezes. Now that hiring restrictions and pay freezes have been lifted, FAS will face increased ICASS costs. Under ICASS regulations, participating agencies are required to pay their portion of theses "platform" costs.

Section 632(a) and (b) Transfers

Mr. Aderholt: Please provide a five-year funding history of amounts received from each Section 632(a) and 632(b) transfers.

Response: The information is submitted for the record.

[The information follows:]

Section 632 (a)

Fiscal Year	Funding
2010	$35,350,000
2011	104,106,310
2012	30,900,000
2013	20,675,000
2014*	2,900,000

Section 632 (b)

Fiscal Year	Funding
2010	$123,818,902
2011	122,081,726
2012	105,940,664
2013	116,824,239
2014*	143,789,350

**Section 632(a) & 632(b) FY 2014 estimates are as of August 25, 2014.*

Mr. Aderholt: Please describe the differences between a section 632(a) and section 632(b) transfer.

Response: Section 632 (a) is a non-expenditure transfer or allocation of authority of USAID funds. Neither a transfer nor an allocation constitutes an obligation of funds by the requesting agency. The receiving agency records the obligation when it uses these funds.

Section 632(b) is an expenditure transfer (reimbursable agreement) of USAID funds. These funds are obligated by the requesting agency and the receiving agency requests reimbursable for the support provided to the requesting agency.

Substantial FTE Increases

Mr. Aderholt: Per the Congressional Justifications in FY 2013, FAS had and EOY FTE total of 549. In FY 2014, that total is expected to be 904. While the agency has had conversations with the Subcommittee to explain this substantial increase and the Subcommittee is aware is it related to Section 632 transfers, please explain further for the record the justification for this increase.

Response: On page 33-6 of the Foreign Agricultural Service's Explanatory Notes under the 2013 Actual column and the Total Permanent Full-time Employment, End of Year, FAS reported the number of full-time permanent employees actually on-board as of the end of the year instead of the Total Positions Permanent Full-time Employment, End of Year normally funded by FAS. The low 2013 number reflects slowed hiring FAS began in 2012 and continued through 2013 as a result of sequestration and the across the board reductions. In 2014 and 2015, FAS plans were to back fill many of the permanent positions that were left vacant during the reduced budget years.

Foreign Agricultural Service

Mr. Aderholt: For all FAS overseas offices, please provide a table organized by region and country that provides the following information: the type of office, the number of American and foreign national staff located at the office, the annual cost to operate the office, and the number of years FAS has operated that office.

Response: Below is a table of FAS overseas offices organized by region (Africa/Middle East, Western Hemisphere, South and Southeast Asia, Europe and North Asia). The information provided includes location, type of office, number of American and foreign national staff, the FY14 estimated annual cost to operate each office, and the number of years FAS has operated that office. Since FAS is following the Department of State practice of replacing Foreign Service

Nationals (FSN) with Locally Employed Staff (LES). FSNs are considered direct hire employees while LES are contract employees hired under Personal Service Agreements. As FSNs leave/retire, they are replaced with LES, which provides some cost savings for FAS. The information is submitted for the record.

[The information follows:]

REGION	CITY	COUNTRY	OAA/ ATO 1/	AM STAFF 2/	FSN/LES STAFF	ANNUAL COST 3/	YEARS
Africa and Middle East	Accra	Ghana	OAA	2	3	$200,591	3
Africa and Middle East	Addis Ababa	Ethiopia	OAA	1	2	$167,911	3
Africa and Middle East	Algiers	Algeria	OAA	1	2	$203,547	29
Africa and Middle East	Amman	Jordan	OAA	0	1	$87,663	25
Africa and Middle East	Baghdad 3/	Iraq	OAA	0	2	$347,200	19
Africa and Middle East	Cairo	Egypt	OAA	3	6	$578,236	58
Africa and Middle East	Dakar	Senegal	OAA	1	3	$372,276	9
Africa and Middle East	Dubai	United Arab Emirates (UAE)	ATO	2	4	$462,173	20
Africa and Middle East	Lagos	Nigeria	OAA	0	3	$578,496	53
Africa and Middle East	Luanda	Angola	OAA	0	1	$92,429	1
Africa and Middle East	Maputo	Mozambique	OAA	0	1	$96,470	5
Africa and Middle East	Nairobi	Kenya	OAA	1	4	$302,187	57
Africa and Middle East	Pretoria	South Africa	OAA	3	5	$798,407	58
Africa and Middle East	Rabat	Morocco	OAA	1	3	$313,102	56
Africa and Middle East	Riyadh	Saudi Arabia	ATO	1	2	$392,095	23
Africa and Middle East	Tel Aviv	Israel	OAA	0	3	$399,458	54
Africa and Middle East	Tunis	Tunisia	OAA	0	2	$125,234	32
Western Hemisphere	Bogota	Colombia	OAA	2	6	$878,423	58
Western Hemisphere	Brasilia	Brazil	OAA	3	3	$980,824	41

REGION	CITY	COUNTRY	OAA/ ATO [1/]	AM STAFF [2/]	FSN/LES STAFF	ANNUAL COST [3/]	YEARS
Western Hemisphere	Sao Paulo	Brazil	ATO	1	5	$687,161	59
Western Hemisphere	Caracas	Venezuela	OAA	1	6	$653,810	57
Western Hemisphere	Guatemala City	Guatemala	OAA	2	4	$365,926	57
Western Hemisphere	Kingston	Jamaica	OAA	0	1	$83,435	16
Western Hemisphere	Lima	Peru	OAA	2	5	$648,541	58
Western Hemisphere	Managua	Nicaragua	OAA	0	2	$103,713	15
Western Hemisphere	Mexico City	Mexico	ATO	2	4	$484,845	21
Western Hemisphere	Mexico City	Mexico	OAA	4	7	$803,771	58
Western Hemisphere	Monterrey	Mexico	ATO	1	4	$424,886	12
Western Hemisphere	Ottawa	Canada	OAA	2	5	$1,048,443	59
Western Hemisphere	Toronto	Canada	OAA	0	1	$117,324	9
Western Hemisphere	Quito	Ecuador	OAA	0	2	$158,204	58
Western Hemisphere	San Salvador	El Salvador	OAA	0	2	$143,118	58
Western Hemisphere	Santiago	Chile	OAA	1	4	$603,921	59
Western Hemisphere	Santo Domingo	Dominican Republic	OAA	1	5	$301,769	56
Western Hemisphere	San Jose	Costa Rica	OAA	2	5	$553,557	58
Western Hemisphere	Tegucigalpa	Honduras	OAA	0	2	$108,011	14
South Asia	Bangkok	Thailand	OAA	2	6	$669,180	57
South Asia	Canberra	Australia	OAA	1	3	$574,082	58
South Asia	Dhaka	Bangladesh	OAA	0	2	$111,251	39
South Asia	Hanoi	Vietnam	OAA	2	4	$430,554	17
South Asia	Ho Chi Minh City	Vietnam	OAA	1	4	$430,175	13
South Asia	Islamabad	Pakistan	OAA	1	5	$350,711	46
South Asia	Jakarta	Indonesia	OAA	2	7	$590,505	58
South Asia	Kabul [4/]	Afghanistan	OAA	1	3	[5/]	4
South Asia	Kuala Lumpur	Malaysia	OAA	1	4	$322,925	58

REGION	CITY	COUNTRY	OAA/ ATO 1/	AM STAFF 2/	FSN/LES STAFF	ANNUAL COST 3/	YEARS
South Asia	Manila	Philippines	OAA	2	6	$499,578	52
South Asia	New Delhi	India	OAA	3	8	$602,086	58
South Asia	Mumbai	India	OAA	1	3	$297,713	4
South Asia	Rangoon	Burma	OAA	0	1	$46,382	59
South Asia	Tashkent	Uzbekistan	OAA	0	1	$56,711	22
South Asia	Wellington	New Zealand	OAA	0	2	$238,388	58
Europe	Astana	Kazakhstan	OAA	0	1	$67,369	5
Europe	Ankara	Turkey	OAA	2	3	$457,652	58
Europe	Istanbul	Turkey	OAA	0	2	$190,436	28
Europe	Berlin	Germany	OAA	1	4	$692,826	23
Europe	Brussels USEU	Belgium	OAA	4	7	$1,591,514	53
Europe	Bucharest	Romania	OAA	0	2	$109,000	34
Europe	Budapest	Hungary	OAA	0	1	$53,407	58
Europe	Geneva (USTR)	Switzerland	OAA	2	0	$501,137	51
Europe	Kyiv	Ukraine	OAA	1	3	$248,321	15
Europe	London	United Kingdom	OAA	1	4	$705,326	59
Europe	Madrid	Spain	OAA	1	3	$514,150	58
Europe	Moscow	Russia	OAA	3	8	$1,107,857	58
Europe	Moscow	Russia	ATO	1	3	$341,065	18
Europe	St. Petersburg	Russia	ATO	0	1	$108,684	18
Europe	Vladivostok	Russia	ATO	0	1	$81,110	18
Europe	Rome (USUN)	Italy	OAA	1	2	$269,612	35
Europe	Rome	Italy	OAA	1	4	$657,060	58
Europe	Sarajevo	Bosnia/ Herzegovina	OAA	0	1	$94,945	13
Europe	Sofia	Bulgaria	OAA	0	2	$161,966	21
Europe	The Hague	Netherlands	OAA	1	3	$683,221	59
Europe	Vienna	Austria	OAA	0	2	$439,268	59
Europe	Warsaw	Poland	OAA	1	4	$445,734	54
Europe	Zagreb	Croatia	OAA	0	1	$126,813	11
North Asia	Beijing	China	OAA	5	10	$959,146	37
North Asia	Beijing	China	ATO	1	6	$604,970	34
North Asia	Chengdu	China	ATO	1	5	$384,682	6
North Asia	Guangzhou	China	ATO	1	9	$601,557	28
North Asia	Shanghai	China	ATO	2	9	$915,568	18
North Asia	Shenyang	China	ATO	1	3	$499,929	5
North Asia	Seoul	Korea	OAA	3	6	$786,210	33
North Asia	Seoul	Korea	ATO	1	6	$955,872	57
North Asia	Singapore	Singapore	OAA	0	2	$194,447	34
North Asia	Taipei	Taiwan	OAA	2	3	$615,535	46

REGION	CITY	COUNTRY	OAA/ ATO 1/	AM STAFF 2/	FSN/LES STAFF	ANNUAL COST 3/	YEARS
North Asia	Taipei	Taiwan	ATO	1	3	$506,236	21
North Asia	Tokyo	Japan	OAA	4	7	$1,550,453	58
North Asia	Tokyo	Japan	ATO	1	5	$1,145,479	27

1/Office of Agricultural Affairs (OAA) and Agricultural Trade Office (ATO)
2/American (AM)
3/Annual operating costs includes LE Staff salary and benefits; operating expenses; ICASS and Capital Security Cost Sharing (CSCS).
4/FAS will be closing these Posts as of 9/30/2014.
5/These costs are not funded from FAS' general appropriation. All costs are covered through Department of State and USAID reimbursable agreements.

Ethanol Promotion Abroad

Mr. Aderholt: Please provide a table showing the total amount of funds and a breakdown by recipient organization, funding source, and amount for each project for any activities related to the promotion of ethanol abroad for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

Participant Name	Program Year	Program	Activity Title	Funded Amount ($)	Description
Growth Energy	2013	Emerging Market Program	U. S. Ethanol Expansion Study Mexico	83,500	This study is designed to assist the U. S. ethanol industry producers, exporters and allied industry interest by providing intelligence through a market study in Mexico.
U.S. Grains Council	2014	Market Access Program	Feed Grain Import Buyers Team	62,200	The Council will sponsor a seven member feed grain import buyer's team to travel to the United States for 10 days. The itinerary will include visits to government institutes including Federal Grain Inspection Service field offices, trade associations, farms, country terminal export elevators, transportation facilities, ethanol plants and trading houses.
U.S. Grains Council	2014	Market Access Program	Explore opportunities to expand US ethanol exports	120,000	The Council will retain outside consultants and ethanol industry leaders to help assess the market development opportunity for US ethanol in selected countries (China, Japan, Canada, Europe, and Mexico).

Assistance to Ukraine

Mr. Aderholt: Please describe and include any amounts regarding any foreign assistance provided to the government of Ukraine or organizations within the country from any FAS or related program funding.

Response: In fiscal year (FY) 2014, FAS did not expend any appropriated funds on assistance to the Government of Ukraine. However, the U.S. Department of State (State) provided $505,000 to FAS to train 17 Fellows from Ukraine on conservation and irrigation technology, organic agriculture, and food safety under USDA's Cochran Fellowship Program. The funding also supported training for eight Ukrainian professors on agricultural economics under the Faculty Exchange Program. For FY 2015, FAS expects to receive additional funding from State for Ukraine: $250,000 for the Cochran Fellowship Program, $840,000 for trade capacity building programs on sanitary and phytosanitary standards and compliance with World Trade Organization requirements, and $140,000 to conduct an agricultural trade and mission to Ukraine. These programs will help to boost Ukraine's role in international agricultural trade.

Premium Travel Report

Mr. Aderholt: Please provide the Premium Class Travel Report required to be submitted to GSA for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

USDA Premium Class Travel
FY 2010 - FY 2013

Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare a/	Coach Fare b/
2010	USDA	1/17/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, Kenya	B27	Bus Class Air	MSN	$8,234	$1,350
2010	USDA	1/30/2010	HUMBER, JEFFREY	Washington, DC	Accra, Ghana	B26	Bus Class Air	MSN	$7,087	$2,260
2010	USDA	2/4/2010	DSILVA, BRIAN CHRISTOPHER	Johannesburg, SA	Washington, DC	B25	Bus Class Air	MSN	$8,234	$1,350
2010	USDA	3/30/2010	ROWSE, PHILIP MARK	Washington, DC	Brasilia, Brazil	B24	Bus Class Air	MSN	$4,052	$1,750
2010	USDA	4/3/2010	ROWSE, PHILIP MARK	Brasilia, Brazil	Washington, DC	B23	Bus Class Air	MSN	$4,052	$1,750
2010	USDA	4/5/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, Kenya	B22	Bus Class Air	MSN	$9,836	$1,450
2010	USDA	4/22/2010	DSILVA, BRIAN CHRISTOPHER	Johannesburg, SA	Washington, DC	B21	Bus Class Air	MSN	$5,336	$3,778
2010	USDA	5/2/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Tunis, Tunisia	B20	Bus Class Air	MSN	$5,277	$1,636
2010	USDA	5/14/2010	HUMBER, JEFFREY	Nairobi, Kenya	Washington, DC	B19	Bus Class Air	MSN	$5,277	$1,636
2010	USDA	5/23/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, Kenya	B18	Bus Class Air	MSN	$5,255	$1,897
2010	USDA	6/4/2010	MILLER GRANDVAUX, YOLANDE	Washington, DC	Dar Es Salaam, Tanzania	B17	Bus Class Air	MSN	$5,110	$1,075
2010	USDA	6/8/2010	DSILVA, BRIAN CHRISTOPHER	Nairobi, Kenya	Washington, DC	B16	Bus Class Air	MSN	$5,255	$1,897
2010	USDA	6/10/2010	MILLER GRANDVAUX, YOLANDE	Dar Es Salaam, Tanzania	Washington, DC	B15	Bus Class Air	MSN	$5,110	$1,075
2010	USDA	6/12/2010	CANAHUATI, JUDY	Washington, DC	Nairobi, Kenya	B14	Bus Class Air	MSN	$4,722	$380
2010	USDA	6/23/2010	HUMBER, JEFFREY	Washington, DC	Tunis, Tunisia	B13	Bus Class Air	MSN	$8,692	$1,350
2010	USDA	6/27/2010	CANAHUATI, JUDY	Addis Ababa, Ethiopia	Washington, DC	B12	Bus Class Air	MSN	$4,722	$380
2010	USDA	7/2/2010	HUMBER, JEFFREY	Basel, Switzerland	Washington, DC	B11	Bus Class Air	MSN	$3,699	$790
2010	USDA	7/12/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, Kenya	B10	Bus Class Air	MSN	$5,426	$2,802
2010	USDA	7/31/2010	DSILVA, BRIAN CHRISTOPHER	Nairobi, Kenya	Washington, DC	B9	Bus Class Air	MSN	$5,426	$2,802
2010	USDA	8/22/2010	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, Kenya	B8	Bus Class Air	MSN	$8,828	$1,350
2010	USDA	9/12/2010	HUMBER, JEFFREY	Washington, DC	Accra, Ghana	B7	Bus Class Air	MSN	$3,544	$790
2010	USDA	9/12/2010	HUMBER, JEFFREY	Paris, France	Washington, DC	B6	Bus Class Air	MSN	$2,776	$590
2010	USDA	9/14/2010	SALLYARDS, MELINDA	Washington, DC	Shenyang, China	B5	Bus Class Air	MSN	$7,813	$2,150
2010	USDA	9/15/2010	DSILVA, BRIAN CHRISTOPHER	Johannesburg, SA	Washington, DC	B4	Bus Class Air	MSN	$5,336	$3,778
2010	USDA	9/18/2010	ROWSE, PHILIP MARK	Washington, DC	Singapore, SG	B3	Bus Class Air	MSN	$6,416	$1,580
2010	USDA	9/22/2010	SALLYARDS, MELINDA	Guangzhou, China	Washington, DC	B2	Bus Class Air	MSN	$7,813	$1,250
2010	USDA	9/24/2010	HUMBER, JEFFREY	Accra, GH	Washington, DC	B1	Bus Class Air	MSN	$3,544	$790
2010	USDA	10/2/2010	ROWSE, PHILIP MARK	Hanoi, Vietnam	Washington, DC	B0	Bus Class Air	MSN	$6,416	$1,580
2011	USDA	10/2/2010	BECH, REBECCA A	Washington, DC	Rome, IT	B1	Bus Class Air	MSN	$3,499	$790
2011	USDA	10/7/2010	BECH, REBECCA A	Rome, IT	Washington, DC	B1	Bus Class Air	MSN	$3,499	$858
2011	USDA	10/14/2010	WEST, LARRY	Beijing, CN	Chicago, IL	B6	Bus Class Air	MSN	$4,158	$500
2011	USDA	10/16/2010	LEE, JOHN	Los Angeles, CA	Hanoi, VN	B6	Bus Class Air	MSN	$3,312	$1,398
2011	USDA	10/25/2010	BIRDSEY, RICHARD ALAN	St. Petersburg, RU	Philadelphia, PA	B4	Bus Class Air	MSN	$1,762	$1,412
2011	USDA	11/1/2010	COLBY, MICHAEL ELLSWORTH	Washington, DC	La Paz, BCS	B1	Bus Class Air	MSN	$1,096	$989
2011	USDA	11/6/2010	LEE, JOHN	Jakarta-Soekarno, ID	Los Angeles, CA	B6	Bus Class Air	MSN	$4,108	$1,313
2011	USDA	11/9/2010	HOLTZMAN, MAX	Delhi, IN	Washington, DC	B6	Bus Class Air	MSN	$2,919	$747
2011	USDA	11/9/2010	VILSACK, THOMAS	Delhi, IN	Washington, DC	B1	Bus Class Air	MSN	$2,919	$747
2011	USDA	11/12/2010	COLBY, MICHAEL ELLSWORTH	Guadalajara, JAL	Washington, DC	B1	Bus Class Air	MSN	$752	$448
2011	USDA	11/13/2010	FELLA, TIMOTHY MARTIN	Washington, DC	Rome, IT	B9	Bus Class Air	MSN	$3,699	$790
2011	USDA	11/16/2010	HUMBER, JEFFREY	Washington, DC	Nairobi, KE	B1	Bus Class Air	MSN	$5,326	$1,697
2011	USDA	11/19/2010	DSILVA, BRIAN CHRISTOPHER	Nairobi, KE	Washington, DC	B6	Bus Class Air	MSN	$4,482	$1,636
2011	USDA	11/19/2010	FELLA, TIMOTHY MARTIN	Rome, IT	Washington, DC	B9	Bus Class Air	EMG	$3,699	$858

USDA Premium Class Travel
FY 2010 - FY 2013

Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare [d]	Coach Fare [d]
2011	USDA	11/20/2010	SLITER, KAREN	Washington, DC	Rome, IT	B9	Bus Class Air	MSN	$3,704	$790
2011	USDA	11/23/2010	HUMBER, JEFFREY	Djibouti, DJ	Washington, DC	B1	Bus Class Air	MSN	$6,485	$1,624
2011	USDA	11/23/2010	NUZUM, JANET ANN	Washington, DC	Dubai, AE	B2	Bus Class Air	MSN	$4,056	$998
2011	USDA	11/24/2010	SLITER, KAREN	Rome, IT	Washington, DC	B6	Bus Class Air	MSN	$1,432	$858
2011	USDA	11/24/2010	SLITER, KAREN	Rome, IT	Washington, DC	B9	Bus Class Air	MSN	$3,704	$858
2011	USDA	11/29/2010	VETTER, DARCI	Kabul, AF	Washington, DC	B6	Bus Class Air	MSN	$5,479	$998
2011	USDA	11/30/2010	NUZUM, JANET ANN	Kabul, AF	Washington, DC	B2	Bus Class Air	MSN	$4,056	$998
2011	USDA	12/2/2010	CHAMORRO, MARIA LOURDES	Prague, CS	London, GB	B7	Bus Class Air	MSN	$1,399	$550
2011	USDA	12/10/2010	ANTOGNOLI, MARIA CELIA	Mexico City, DF	Denver, CO	B7	Bus Class Air	MSN	$614	$422
2011	USDA	12/11/2010	JOHNSON, CYNTHIA LAURENE	Munich, DE	Denver, CO	B7	Bus Class Air	MSN	$1,071	$832
2011	USDA	12/28/2010	DENNISTON, HELEN MAE	Little Rock, AR	Anchorage, AK	B7	Bus Class Air	MSN	$1,033	$679
2011	USDA	1/1/2011	MILLER, JAMES	Washington, DC	Tokyo, JP	B6	Bus Class Air	MSN	$2,268	$863
2011	USDA	1/2/2011	MURPHY, VIRGINIA LEE	Washington, DC	Dubai, AE	B6	Bus Class Air	MSN	$4,873	$998
2011	USDA	1/4/2011	MILLER, JAMES	Tokyo, JP	Beijing, CN	B6	Bus Class Air	MSN	$1,701	$831
2011	USDA	1/14/2011	MILLER, JAMES	Beijing, CN	Washington, DC	B6	Bus Class Air	MSN	$5,523	$1,035
2011	USDA	1/19/2011	MILLER GRANDVAUX, YOLANDE	Washington, DC	Paris, FR	B6	Bus Class Air	MSN	$2,555	$432
2011	USDA	1/28/2011	MILLER GRANDVAUX, YOLANDE	Nairobi, KE	Washington, DC	B6	Bus Class Air	MSN	$5,254	$1,636
2011	USDA	1/30/2011	SHAQIR, IBRAHIM MOHLAH	Algiers, DZ	Paris, FR	B4	Bus Class Air	MSN	$702	$405
2011	USDA	2/3/2011	MILLER, MARK RUSSELL	Kishinev, MD	Vienna, AT	B6	Bus Class Air	MSN	$831	$394
2011	USDA	2/6/2011	HARRIS, ELLEN WILLIAMS	Doha, QA	Kathmandu, NP	B4	Bus Class Air	MSN	$634	$598
2011	USDA	2/9/2011	DSILVA, BRIAN CHRISTOPHER	Johannesburg, ZA	Washington, DC	B6	Bus Class Air	MSN	$7,734	$1,373
2011	USDA	2/10/2011	BECH, REBECCA ALLEN	Washington, DC	Auckland, NZ	B1	Bus Class Air	MSN	$6,402	$1,850
2011	USDA	2/11/2011	GREIFER, JOHN	Washington, DC	Napier, NZ	B6	Bus Class Air	MSN	$7,078	$2,260
2011	USDA	2/18/2011	GREIFER, JOHN	Napier, NZ	Washington, DC	B6	Bus Class Air	MSN	$7,078	$2,130
2011	USDA	2/18/2011	MILLER GRANDVAUX, YOLANDE	Washington, DC	Nairobi, KE	B6	Bus Class Air	MSN	$5,659	$1,697
2011	USDA	2/19/2011	WOTEKI, CATHERINE	Washington, DC	Beijing, CN	B6	Bus Class Air	MSN	$10,883	$1,315
2011	USDA	2/20/2011	BECH, REBECCA ALLEN	Auckland, NZ	San Francisco, CA	B1	Bus Class Air	MSN	$4,204	$1,305
2011	USDA	2/20/2011	HUMBER, JEFFREY	Washington, DC	Johannesburg, ZA	B1	Bus Class Air	MSN	$5,079	$2,034
2011	USDA	2/21/2011	IGNATOWSKI, CLARE ANTOINETTE	Washington, DC	Nairobi, KE	B6	Bus Class Air	MSN	$4,667	$1,697
2011	USDA	2/23/2011	MILLER GRANDVAUX, YOLANDE	Nairobi, KE	Paris, FR	B6	Bus Class Air	MSN	$3,375	$900
2011	USDA	2/28/2011	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Addis Ababa, ET	B6	Bus Class Air	MSN	$4,401	$790
2011	USDA	2/28/2011	MILLER GRANDVAUX, YOLANDE	Paris, FR	Washington, DC	B6	Bus Class Air	MSN	$2,776	$590
2011	USDA	3/2/2011	HUMBER, JEFFREY	Addis Ababa, ET	Frankfurt, DE	B1	Bus Class Air	MSN	$2,665	$728
2011	USDA	3/3/2011	IGNATOWSKI, CLARE ANTOINETTE	Addis Ababa, ET	Washington, DC	B6	Bus Class Air	MSN	$4,268	$1,540
2011	USDA	3/4/2011	HUMBER, JEFFREY	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$2,175	$820
2011	USDA	3/5/2011	GOULD, WILLIAM	Missoula, MT	San Juan, PR	B7	Bus Class Air	EMG	$738	$520
2011	USDA	3/6/2011	GREIFER, JOHN	Washington, DC	Rome, IT	B1	Bus Class Air	MSN	$2,614	$790
2011	USDA	3/10/2011	BECH, REBECCA	Washington, DC	Rome, IT	B1	Bus Class Air	MSN	$3,930	$790
2011	USDA	3/18/2011	HOGSETTE, JEROME ADKINS	Gainesville, FL	San Juan, PR	B1	Bus Class Air	MSN	$400	$335
2011	USDA	3/19/2011	BECH, REBECCA	Rome, IT	Washington, DC	B1	Bus Class Air	MSN	$3,930	$858
2011	USDA	3/19/2011	GREIFER, JOHN	Rome, IT	Washington, DC	B1	Bus Class Air	MSN	$2,614	$858
2011	USDA	3/24/2011	DSILVA, BRIAN CHRISTOPHER	Nairobi, KE	Washington, DC	B6	Bus Class Air	MSN	$4,128	$1,566

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare a/	Coach Fare a/
2011	USDA	4/2/2011	SCUSE, MICHAEL	Washington, DC	Jakarta-Soekarno, ID	B1	Bus Class Air	MSN	$6,661	$1,750
2011	USDA	4/5/2011	WORSHEK, DAVID	Hibbing, MN	St. Louis, MO	B1	Bus Class Air	MSN	$988	$644
2011	USDA	4/7/2011	SCUSE, MICHAEL	Jakarta-Soekarno, ID	Washington, DC	B1	Bus Class Air	MSN	$6,661	$2,716
2011	USDA	4/8/2011	DUPONT, GAYLE	Albuquerque, NM	Hilo, HI	B6	Bus Class Air	MSN	$1,265	$617
2011	USDA	4/26/2011	DIXON, JACKIE LEWIS	Dubai, AE	Chicago, IL	B6	Bus Class Air	MSN	$5,132	$1,077
2011	USDA	5/15/2011	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Amsterdam, NL	B6	Bus Class Air	MSN	$1,547	$421
2011	USDA	5/16/2011	DIXON, JACKIE LEWIS	Chicago, IL	Dubai, AE	B6	Bus Class Air	MSN	$5,132	$998
2011	USDA	5/16/2011	DSILVA, BRIAN CHRISTOPHER	Amsterdam, NL	Nairobi, KE	B6	Bus Class Air	MSN	$1,665	$1,168
2011	USDA	5/22/2011	ACEVES, RICARDO A	Mc Allen, TX	San Juan, PR	B6	Bus Class Air	MSN	$712	$508
2011	USDA	5/24/2011	HUMBER, JEFFREY	Addis Ababa, ET	Washington, DC	B1	Bus Class Air	MSN	$3,407	$1,540
2011	USDA	5/28/2011	HUMBER, JEFFREY	Washington, DC	London, GB	B1	Bus Class Air	MSN	$2,536	$513
2011	USDA	5/29/2011	ACEVES, RICARDO	San Juan, PR	Mc Allen, TX	B6	Bus Class Air	MSN	$712	$673
2011	USDA	5/29/2011	HUMBER, JEFFREY	London, GB	Mauritius, MU	B1	Bus Class Air	MSN	$4,203	$1,291
2011	USDA	5/30/2011	HUMBER, JEFFREY	Washington, DC	Dubai, AE	B1	Bus Class Air	MSN	$4,792	$998
2011	USDA	6/1/2011	HUMBER, JEFFREY	Dubai, AE	Mauritius, MU	B1	Bus Class Air	MSN	$3,221	$809
2011	USDA	6/1/2011	HUMBER, JEFFREY	Dubai, AE	Nairobi, KE	B1	Bus Class Air	MSN	$2,994	$1,087
2011	USDA	6/2/2011	DSILVA, BRIAN CHRISTOPHER	Nairobi, KE	Amsterdam, NL	B6	Bus Class Air	MSN	$1,665	$650
2011	USDA	6/3/2011	DSILVA, BRIAN CHRISTOPHER	Amsterdam, NL	Washington, DC	B6	Bus Class Air	MSN	$1,547	$670
2011	USDA	6/5/2011	HUMBER, JEFFREY	Mauritius, MU	Johannesburg, ZA	B1	Bus Class Air	MSN	$1,214	$550
2011	USDA	6/7/2011	MAZZOLA, MARK	Wenatchee, WA	Amsterdam, NL	B6	Bus Class Air	MSN	$4,091	$1,797
2011	USDA	6/12/2011	HUMBER, JEFFREY	Nairobi, KE	Brussels, BE	B1	Bus Class Air	MSN	$2,771	$936
2011	USDA	6/13/2011	HUMBER, JEFFREY	Brussels, BE	Washington, DC	B1	Bus Class Air	MSN	$2,636	$859
2011	USDA	6/14/2011	HUMBER, JEFFREY	Addis Ababa, ET	Frankfurt, DE	B1	Bus Class Air	MSN	$3,448	$728
2011	USDA	6/15/2011	HUMBER, JEFFREY	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$2,813	$820
2011	USDA	6/18/2011	GREIFER, JOHN	Washington, DC	Rome, IT	B6	Bus Class Air	EMG	$3,673	$790
2011	USDA	6/19/2011	BECH, REBECCA	Baltimore, MD	Houston, TX	B1	Bus Class Air	MSN	$427	$342
2011	USDA	6/21/2011	VILSACK, THOMAS	Washington, DC	Paris, FR	B1	Bus Class Air	MSN	$4,775	$432
2011	USDA	6/24/2011	BECH, REBECCA	Houston, TX	Baltimore, MD	B1	Bus Class Air	MSN	$427	$276
2011	USDA	6/24/2011	BECH, REBECCA	San Jose, CR	Houston, TX	B1	Bus Class Air	MSN	$542	$477
2011	USDA	6/25/2011	GREIFER, JOHN	Rome, IT	Washington, DC	B6	Bus Class Air	EMG	$3,673	$858
2011	USDA	7/2/2011	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Amsterdam, NL	B6	Bus Class Air	MSN	$2,882	$421
2011	USDA	7/3/2011	DSILVA, BRIAN CHRISTOPHER	Amsterdam, NL	Nairobi, KE	B6	Bus Class Air	MSN	$3,100	$1,168
2011	USDA	7/9/2011	WOLGIN, JEROME MORRIS	Washington, DC	Accra, GH	B6	Bus Class Air	MSN	$3,878	$998
2011	USDA	7/12/2011	MAZZOLA, MARK	Amsterdam, NL	Seattle, WA	B6	Bus Class Air	MSN	$4,038	$762
2011	USDA	7/12/2011	MAZZOLA, MARK	Seattle, WA	Wenatchee, WA	B6	Bus Class Air	MSN	$158	$149
2011	USDA	7/18/2011	SCUSE, MICHAEL	Philadelphia, PA	Brussels, BE	B1	Bus Class Air	MSN	$3,167	$620
2011	USDA	7/19/2011	HUMBER, JEFFREY	Washington, DC	Amsterdam, NL	B1	Bus Class Air	MSN	$2,578	$421
2011	USDA	7/20/2011	HUMBER, JEFFREY	Amsterdam, NL	Nairobi, KE	B1	Bus Class Air	MSN	$2,773	$1,168
2011	USDA	7/20/2011	SCUSE, MICHAEL	Brussels, BEL	Philadelphia, PA	B1	Bus Class Air	MSN	$4,409	$620
2011	USDA	7/22/2011	DSILVA, BRIAN CHRISTOPHER	London, GB	Washington, DC	B6	Bus Class Air	MSN	$2,741	$409
2011	USDA	7/23/2011	BECH, REBECCA	Washington, DC	Paris, FR	B1	Bus Class Air	MSN	$5,144	$432
2011	USDA	7/27/2011	HUMBER, JEFFREY	Accra, GH	Washington, DC	B1	Bus Class Air	MSN	$3,538	$1,142

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2011	USDA	7/29/2011	WOLGIN, JEROME MORRIS	Accra, GH	Washington, DC	B6	Bus Class Air	MSN	$3,878	$1,142
2011	USDA	7/30/2011	BECH, REBECCA	Paris, FR	Washington, DC	B1	Bus Class Air	MSN	$5,144	$590
2011	USDA	7/30/2011	BOWMAN, JOHN	Entebbe/Kampala, UG	Amsterdam, NL	B6	Bus Class Air	MSN	$1,158	$936
2011	USDA	7/30/2011	CANAHUATI, JUDY	Washington, DC	Freetown-Lungi, SL	B6	Bus Class Air	MSN	$4,086	$1,979
2011	USDA	7/31/2011	BOWMAN, JOHN	Amsterdam, NL	Washington, DC	B6	Bus Class Air	MSN	$1,130	$670
2011	USDA	8/12/2011	DASCHLE, LINDSAY	Washington, DC	Chicago, IL	B9	Bus Class Air	MSN	$564	$123
2011	USDA	8/12/2011	MCKALIP, DOUG	Washington, DC	Chicago, IL	B9	Bus Class Air	MSN	$564	$123
2011	USDA	8/13/2011	CANAHUATI, JUDY	Monrovia-Roberts, LR	Washington, DC	B6	Bus Class Air	MSN	$4,076	$1,566
2011	USDA	8/17/2011	SCUSE, MICHAEL	Dubuque, IA	Washington, DC	B1	Bus Class Air	MSN	$955	$477
2011	USDA	8/28/2011	SHERMAN, HARRIS	Ketchikan, AK	Gulfport, MS	B6	Bus Class Air	MSN	$1,711	$1,194
2011	USDA	8/30/2011	DSILVA, BRIAN CHRISTOPHER	Washington, DC	Nairobi, KE	B6	Bus Class Air	MSN	$5,803	$1,697
2011	USDA	9/9/2011	DEJONG, JUSTIN PAUL	Columbus, OH	Miami, FL	B9	Bus Class Air	SPC	$970	$361
2011	USDA	9/9/2011	VILSACK, THOMAS	Columbus, OH	Miami, FL	B1	Bus Class Air	MSN	$859	$361
2011	USDA	9/15/2011	DSILVA, BRIAN CHRISTOPHER	Nairobi, KE	Washington, DC	B6	Bus Class Air	MSN	$5,803	$1,566
2011	USDA	9/15/2011	WALDNER, ROBERT	Syracuse, NY	Duluth, MN	B1	Bus Class Air	MSN	$1,022	$800
2011	USDA	9/17/2011	CANAHUATI, JUDY	Washington, DC	Johannesburg, ZA	B6	Bus Class Air	MSN	$4,500	$2,034
2011	USDA	9/20/2011	QUICK, BRYCE	Tokyo, JPN	Washington, DC	B6	Bus Class Air	MSN	$5,005	$801
2011	USDA	9/23/2011	SCUSE, MICHAEL	Philadelphia, PA	Hanoi, VN	B1	Bus Class Air	MSN	$7,797	$1,639
2011	USDA	9/24/2011	CANAHUATI, JUDY	Johannesburg, ZA	Rome, IT	B6	Bus Class Air	MSN	$3,369	$936
2011	USDA	9/29/2011	CANAHUATI, JUDY	Rome, IT	Washington, DC	B6	Bus Class Air	MSN	$2,485	$858
2011	USDA	9/30/2011	SCUSE, MICHAEL	Ho Chi Minh, VN	Philladelphia, PA	B1	Bus Class Air	MSN	$6,518	$1,598
2012	USDA	10/1/2011	BINGHAM, BOYCE JAMES	San Francisco, CA	Seattle, WA	F1	1st Class Air	MSN	$392	$61
2012	USDA	10/2/2011	BECH, REBECCA	Washington, DC	Rome, IT	B1	Bus Class Air	SPC	$1,564	$883
2012	USDA	10/2/2011	IGNATOWSKI, CLARE	Newark, NJ	Tel Aviv-Yafo, IL	B1	Bus Class Air	MSN	$4,162	$759
2012	USDA	10/11/2011	KLEIN, JESSICA LEIGH	Doha, QA	Kathmandu, NP	B7	Bus Class Air	MSN	$805	$370
2012	USDA	10/12/2011	IGNATOWSKI, CLARE	Tel Aviv-Yafo, IL	Philadelphia, PA	B1	Bus Class Air	MSN	$4,220	$1,149
2012	USDA	10/14/2011	HUMBER, JEFFREY	Washington, DC	London, GB	B1	Bus Class Air	MSN	$2,333	$391
2012	USDA	10/15/2011	HUMBER, JEFFREY	London, GB	Nairobi, KE	B1	Bus Class Air	MSN	$2,706	$564
2012	USDA	10/17/2011	FAIR, KRISTI KAY	Washington, DC	Singapore, SG	B6	Bus Class Air	MSN	$5,891	$1,778
2012	USDA	10/17/2011	SCUSE, MICHAEL	Washington, DC	Beijing, CN	B1	Bus Class Air	MSN	$2,479	$1,153
2012	USDA	10/19/2011	PETERSON, JENNIFER	Washington, DC	Munich, DE	B1	Bus Class Air	MSN	$2,850	$858
2012	USDA	10/20/2011	PETERSON, JENNIFER	Munich, DE	Ankara-Esenboga, TR	B1	Bus Class Air	MSN	$794	$89
2012	USDA	10/22/2011	SCUSE, MICHAEL	Beijing, CN	Washington, DC	B1	Bus Class Air	MSN	$5,573	$1,153
2012	USDA	10/26/2011	PETERSON, JENNIFER	Istanbul, TR	Amman, JO	B1	Bus Class Air	MSN	$4,623	$273
2012	USDA	10/28/2011	HUMBER, JEFFREY	Nairobi, KE	Addis Ababa, ET	B1	Bus Class Air	MSN	$920	$151
2012	USDA	10/28/2011	PETERSON, JENNIFER	Amman, JO	Frankfurt, DE	B1	Bus Class Air	MSN	$1,258	$156
2012	USDA	10/28/2011	PETERSON, JENNIFER	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$3,653	$840
2012	USDA	10/31/2011	HUMBER, JEFFREY	Brussels, BE	San Francisco, CA	B1	Bus Class Air	MSN	$2,363	$420
2012	USDA	11/1/2011	BERGE, JOHN	Dallas, TX	Bloomington, IL	B7	Bus Class Air	MSN	$467	$110
2012	USDA	11/1/2011	HUMBER, JEFFREY	Addis Ababa, ET	Frankfurt, DE	B1	Bus Class Air	MSN	$2,116	$428
2012	USDA	11/2/2011	HUMBER, JEFFREY	Frankfurt, DE	Washington, DC	F1	1st Class Air	MSN	$2,589	$840
2012	USDA	11/9/2011	MILLER GRANDVAUX, YOLANDE	Washington, DC	London, GB	B1	Bus Class Air	MSN	$3,558	$391

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare[a]	Coach Fare[b]
2012	USDA	11/10/2011	MILLER GRANDVAUX, YOLANDE	London, GB	Nairobi, KE	B1	Bus Class Air	MSN	$4,123	$564
2012	USDA	11/11/2011	CANAHUATI, JUDY	Washington, DC	Frankfurt, DE	B1	Bus Class Air	CNF	$6,193	$840
2012	USDA	11/13/2011	LUGO, ARIEL	San Juan, PR	Madrid, ES	B1	Bus Class Air	CNF	$2,917	$1,148
2012	USDA	11/14/2011	DEJONG, JUSTIN PAUL	Washington, DC	Seoul, KR	B6	Bus Class Air	MSN	$2,451	$896
2012	USDA	11/14/2011	VILSACK, THOMAS	Washington, DC	Seoul, KR	B1	Bus Class Air	MSN	$3,813	$896
2012	USDA	11/15/2011	DEJONG, JUSTIN PAUL	Seoul, KR	Hanoi, VN	B6	Bus Class Air	MSN	$1,176	$164
2012	USDA	11/15/2011	VILSACK, THOMAS	Seoul, KR	Hanoi, VN	B1	Bus Class Air	SPC	$1,832	$164
2012	USDA	11/17/2011	VILSACK, THOMAS	Seoul, KR	Beijing, CN	B1	Bus Class Air	SPC	$612	$138
2012	USDA	11/18/2011	BARTUSKA, ANN	Washington, DC	Seoul, KR	B6	Bus Class Air	SPC	$4,015	$896
2012	USDA	11/18/2011	CHRISTIANSEN, SCOTT	Kathmandu, NP	Doha, QA	B6	Bus Class Air	MSN	$983	$370
2012	USDA	11/18/2011	LUGO, ARIEL	Miami, FL	San Juan, PR	B1	Bus Class Air	CNF	$1,154	$400
2012	USDA	11/18/2011	LUGO, ARIEL	Montpellier, FR	Paris, FR	F2	1st Class Air	CNF	$417	$105
2012	USDA	11/18/2011	LUGO, ARIEL	Paris, FR	Miami, FL	B1	Bus Class Air	CNF	$3,371	$493
2012	USDA	11/19/2011	BARTUSKA, ANN	Seoul, KR	Denpasar Bali, ID	F1	1st Class Air	MSN	$2,836	$274
2012	USDA	11/19/2011	BOWMAN, JOHN	Washington, DC	Amsterdam, NL	B1	Bus Class Air	MSN	$2,546	$466
2012	USDA	11/19/2011	CANAHUATI, JUDY	Frankfurt, DE	Washington, DC	B1	Bus Class Air	CNF	$6,193	$840
2012	USDA	11/20/2011	BOWMAN, JOHN	Amsterdam, NL	Nairobi, KE	B1	Bus Class Air	MSN	$2,738	$585
2012	USDA	11/21/2011	MILLER GRANDVAUX, YOLANDE	Nairobi, KE	London, GB	B1	Bus Class Air	MSN	$4,123	$564
2012	USDA	11/22/2011	MILLER GRANDVAUX, YOLANDE	London, GB	Washington, DC	B1	Bus Class Air	MSN	$3,558	$391
2012	USDA	11/22/2011	VILSACK, THOMAS	Beijing, CN	San Francisco, CA	B1	Bus Class Air	SPC	$3,239	$1,066
2012	USDA	11/26/2011	BARTUSKA, ANN	Denpasar Bali, ID	Seoul, KR	F1	1st Class Air	MSN	$2,836	$274
2012	USDA	12/8/2011	RUIZ, CARL MARTIN	Washington, DC	Los Angeles, CA	B1	Bus Class Air	MSN	$759	$265
2012	USDA	12/10/2011	GLICK, DENNIS	Barcelona, ES	Paris, FR	F1	1st Class Air	MSN	$558	$226
2012	USDA	12/11/2011	BOWMAN, JOHN	Dar Es Salaam, TZ	Amsterdam, NL	B1	Bus Class Air	MSN	$3,012	$710
2012	USDA	12/12/2011	BOWMAN, JOHN	Amsterdam, NL	Washington, DC	B1	Bus Class Air	MSN	$2,546	$466
2012	USDA	12/12/2011	RUIZ, CARL MARTIN	Los Angeles, CA	Washington, DC	B1	Bus Class Air	MSN	$759	$265
2012	USDA	1/12/2012	LI, CONGJUN	Washington, DC	Los Angeles, CA	F1	1st Class Air	SPC	$590	$265
2012	USDA	1/15/2012	ADAMS, EDITH NICHOLLE	Madrid, ES	Logrono, ES	F1	1st Class Air	MSN	$558	$226
2012	USDA	1/15/2012	HUMBER, JEFFREY	Washington, DC	Amsterdam, NL	B1	Bus Class Air	MSN	$2,242	$466
2012	USDA	1/16/2012	HUMBER, JEFFREY	Amsterdam, NL	Dar Es Salaam, TZ	F1	1st Class Air	MSN	$2,652	$710
2012	USDA	1/26/2012	HUMBER, JEFFREY	Dar Es Salaam, TZ	Johannesburg, ZA	B1	Bus Class Air	MSN	$1,758	$203
2012	USDA	1/29/2012	PETERSON, JENNIFER	Washington, DC	Frankfurt, DE	B1	Bus Class Air	MSN	$2,532	$840
2012	USDA	1/30/2012	PETERSON, JENNIFER	Frankfurt, DE	Cairo, EG	B1	Bus Class Air	MSN	$3,710	$152
2012	USDA	2/1/2012	SCUSE, MICHAEL	Atlanta, GA	Brasilia, BR	B1	Bus Class Air	MSN	$3,032	$1,875
2012	USDA	2/1/2012	SCUSE, MICHAEL	Washington, DC	Atlanta, GA	B1	Bus Class Air	MSN	$774	$143
2012	USDA	2/3/2012	SCUSE, MICHAEL	Brasilia, BR	Atlanta, GA	B1	Bus Class Air	MSN	$3,032	$1,875
2012	USDA	2/4/2012	SCUSE, MICHAEL	Atlanta, GA	Washington, DC	B1	Bus Class Air	MSN	$774	$143
2012	USDA	2/10/2012	PETERSON, JENNIFER	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$3,624	$840
2012	USDA	2/10/2012	PETERSON, JENNIFER	Tel Aviv-Yafo, IL	Frankfurt, DE	B1	Bus Class Air	MSN	$1,141	$259
2012	USDA	2/11/2012	WILLIAMS, JUNKO KOGO	Washington, DC	Amsterdam, NL	B1	Bus Class Air	MSN	$2,025	$466
2012	USDA	2/12/2012	WILLIAMS, JUNKO KOGO	Amsterdam, NL	Cape Town, ZA	B1	Bus Class Air	MSN	$2,106	$707
2012	USDA	2/19/2012	WILLIAMS, JUNKO KOGO	Amsterdam, NL	Washington, DC	F2	1st Class Air	MSN	$2,025	$466

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare	Coach Fare
2012	USDA	2/19/2012	WILLIAMS, JUNKO KOGO	Cape Town, ZA	Amsterdam, NL	B1	Bus Class Air	MSN	$2,106	$707
2012	USDA	2/25/2012	SCUSE, MICHAEL	Atlanta, GA	Brasilia, BR	B1	Bus Class Air	MSN	$3,320	$1,875
2012	USDA	2/25/2012	SCUSE, MICHAEL	Baltimore, MD	Atlanta, GA	B1	Bus Class Air	MSN	$913	$129
2012	USDA	2/27/2012	BECH, REBECCA	Washington, DC	Mexico City, DF	B1	Bus Class Air	SPC	$2,289	$296
2012	USDA	2/28/2012	SCUSE, MICHAEL	Brasilia, BR	Atlanta, GA	B1	Bus Class Air	MSN	$3,320	$1,875
2012	USDA	2/29/2012	IGNATOWSKI, CLARE	Washington, DC	Brussels, BE	B6	Bus Class Air	MSN	$2,774	$863
2012	USDA	2/29/2012	SCUSE, MICHAEL	Atlanta, GA	Baltimore, MD	B1	Bus Class Air	MSN	$913	$129
2012	USDA	3/1/2012	IGNATOWSKI, CLARE	Brussels, BE	Kigali, RW	B6	Bus Class Air	MSN	$2,826	$792
2012	USDA	3/2/2012	BECH, REBECCA	Mexico City, DF	Washington, DC	B1	Bus Class Air	MSN	$2,289	$296
2012	USDA	3/3/2012	FAIR, KRISTI KAY	Washington, DC	Amsterdam, NL	B6	Bus Class Air	MSN	$3,666	$466
2012	USDA	3/3/2012	MILLER GRANDVAUX, YOLANDE	Washington, DC	Amsterdam, NL	B1	Bus Class Air	MSN	$2,998	$466
2012	USDA	3/4/2012	FAIR, KRISTI KAY	Amsterdam, NL	Kigali, RW	B6	Bus Class Air	MSN	$3,831	$946
2012	USDA	3/4/2012	MILLER GRANDVAUX, YOLANDE	Amsterdam, NL	Kigali, RW	B1	Bus Class Air	MSN	$3,133	$946
2012	USDA	3/8/2012	HUMBER, JEFFREY	Nairobi, KE	London, GB	B1	Bus Class Air	MSN	$1,517	$564
2012	USDA	3/8/2012	IGNATOWSKI, CLARE	Kigali, RW	Brussels, BE	B6	Bus Class Air	MSN	$2,826	$792
2012	USDA	3/9/2012	HUMBER, JEFFREY	London, GB	Washington, DC	B1	Bus Class Air	MSN	$1,309	$391
2012	USDA	3/9/2012	IGNATOWSKI, CLARE	Brussels, BE	Washington, DC	B6	Bus Class Air	MSN	$2,774	$863
2012	USDA	3/9/2012	MILLER GRANDVAUX, YOLANDE	Kigali, RW	Amsterdam, NL	B1	Bus Class Air	MSN	$3,133	$946
2012	USDA	3/10/2012	MILLER GRANDVAUX, YOLANDE	Amsterdam, NL	Washington, DC	B1	Bus Class Air	MSN	$2,998	$466
2012	USDA	3/16/2012	BECH, REBECCA	Washington, DC	Rome, IT	B1	Bus Class Air	SPC	$4,474	$883
2012	USDA	3/16/2012	FAIR, KRISTI KAY	Kigali, RW	Amsterdam, NL	B6	Bus Class Air	MSN	$3,831	$946
2012	USDA	3/17/2012	FAIR, KRISTI KAY	Amsterdam, NL	Washington, DC	B6	Bus Class Air	MSN	$3,666	$466
2012	USDA	3/23/2012	SCHEFFLER, BRIAN ERIC	Dubai, AE	PK	B7	Bus Class Air	MSN	$694	$243
2012	USDA	3/24/2012	BECH, REBECCA	Rome, IT	Washington, DC	B1	Bus Class Air	SPC	$4,474	$883
2012	USDA	3/28/2012	STONE, WILLIAM ALLEN	Venice, IT	Paris, FR	B7	Bus Class Air	CNF	$1,110	$89
2012	USDA	4/6/2012	SCHEFFLER, BRIAN ERIC	Islamabad/Rawalpindi, PK	Dubai, AE	B7	Bus Class Air	MSN	$694	$243
2012	USDA	4/28/2012	BERRINGER, DALLAS DENTON	Guam, GU	Tokyo, JP	B7	Bus Class Air	MSN	$618	$87
2012	USDA	4/29/2012	WOTEKI, CATHERINE	Washington, DC	Beijing, CN	B6	Bus Class Air	MSN	$3,525	$1,153
2012	USDA	5/3/2012	MILLER GRANDVAUX, YOLANDE	Washington, DC	Doha, QA	B1	Bus Class Air	MSN	$4,104	$1,143
2012	USDA	5/4/2012	MILLER GRANDVAUX, YOLANDE	Doha, QA	PK	B1	Bus Class Air	MSN	$1,678	$270
2012	USDA	5/14/2012	ALMANZA, ALFRED	Chicago, IL	Beijing, CN	B6	Bus Class Air	MSN	$5,825	$574
2012	USDA	5/14/2012	ALMANZA, ALFRED	Washington, DC	Chicago, IL	B6	Bus Class Air	MSN	$495	$131
2012	USDA	5/14/2012	ENGELJOHN, DANIEL LEE	Chicago, IL	Beijing, CN	B6	Bus Class Air	CNF	$8,362	$574
2012	USDA	5/14/2012	ENGELJOHN, DANIEL LEE	Washington, DC	Chicago, IL	B6	Bus Class Air	CNF	$603	$131
2012	USDA	5/14/2012	JONES, RONALD KEITH	Chicago, IL	Beijing, CN	F1	1st Class Air	SPC	$5,825	$574
2012	USDA	5/14/2012	JONES, RONALD KEITH	Washington, DC	Chicago, IL	B6	Bus Class Air	MSN	$495	$131
2012	USDA	5/14/2012	QUICK, BRYCE ROSS	Washington, DC	Beijing, CN	B1	Bus Class Air	MSN	$6,203	$1,153
2012	USDA	5/15/2012	VETTER, DARCI	Washington, DC	Beijing, CN	B6	Bus Class Air	SPC	$3,525	$1,153
2012	USDA	5/17/2012	QUICK, BRYCE ROSS	Beijing, CN	Washington, DC	B1	Bus Class Air	MSN	$5,861	$1,153
2012	USDA	5/19/2012	ALMANZA, ALFRED	Beijing, CN	Chicago, IL	B6	Bus Class Air	SPC	$5,329	$574
2012	USDA	5/19/2012	ALMANZA, ALFRED	Chicago, IL	Washington, DC	B6	Bus Class Air	MSN	$5,825	$131
2012	USDA	5/19/2012	ENGELJOHN, DANIEL LEE	Beijing, CN	Chicago, IL	B6	Bus Class Air	CNF	$6,490	$574

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare [a]	Coach Fare [a]
2012	USDA	5/19/2012	ENGELJOHN, DANIEL LEE	Chicago, IL	Washington, DC	B6	Bus Class Air	CNF	$5,825	$131
2012	USDA	5/19/2012	JONES, RONALD KEITH	Beijing, CN	Chicago, IL	B6	Bus Class Air	MSN	$5,329	$574
2012	USDA	5/19/2012	JONES, RONALD KEITH	Chicago, IL	Washington, DC	F1	1st Class Air	SPC	$5,825	$131
2012	USDA	5/19/2012	LUGO, ARIEL	Miami, FL	Buenos Aires, AR	B1	Bus Class Air	CNF	$3,103	$1,047
2012	USDA	5/19/2012	LUGO, ARIEL	San Juan, PR	Miami, FL	B1	Bus Class Air	CNF	$1,465	$400
2012	USDA	5/19/2012	PETERSON, JENNIFER	Washington, DC	Frankfurt, DE	B1	Bus Class Air	MSN	$2,286	$840
2012	USDA	5/20/2012	MILLER GRANDVAUX, YOLANDE	Dubai, AE	Washington, DC	B1	Bus Class Air	MSN	$4,188	$1,164
2012	USDA	5/20/2012	PETERSON, JENNIFER	Frankfurt, DE	Cairo, EG	B1	Bus Class Air	MSN	$3,306	$152
2012	USDA	5/23/2012	PETERSON, JENNIFER	Cairo, EG	Frankfurt, DE	B1	Bus Class Air	MSN	$1,019	$152
2012	USDA	5/23/2012	PETERSON, JENNIFER	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$3,306	$840
2012	USDA	5/25/2012	BERRINGER, DALLAS DENTON	Osaka, JP	Guam, GU	B7	Bus Class Air	MSN	$618	$73
2012	USDA	5/25/2012	LUGO, ARIEL	Buenos Aires, AR	Miami, FL	B1	Bus Class Air	CNF	$3,103	$1,047
2012	USDA	5/26/2012	LUGO, ARIEL	Miami, FL	San Juan, PR	B1	Bus Class Air	CNF	$1,465	$400
2012	USDA	5/27/2012	JACKSON, JEFFREY	Johannesburg, ZA	Dar Es Salaam, TZ	B1	Bus Class Air	MSN	$539	$203
2012	USDA	6/3/2012	JOHNSTON, FREDERIC NAZAR	Baltimore, MD	New York, NY	B1	Bus Class Air	MSN	$312	$132
2012	USDA	6/3/2012	JOHNSTON, FREDERIC NAZAR	New York, NY	Istanbul, TR	F1	1st Class Air	MSN	$4,249	$764
2012	USDA	6/3/2012	KNIPLING, EDWARD BYRON	Paris, FR	Toulouse, FR	F1	1st Class Air	CNF	$322	$122
2012	USDA	6/3/2012	OKAMURO, JACK KISHIRO	Paris, FR	Toulouse, FR	F1	1st Class Air	CNF	$322	$122
2012	USDA	6/3/2012	SHAFER, STEVEN RAY	Paris, FR	Toulouse, FR	F1	1st Class Air	CNF	$322	$122
2012	USDA	6/4/2012	SCUSE, MICHAEL	Washington, DC	Paris, FR	B1	Bus Class Air	MSN	$5,448	$477
2012	USDA	6/7/2012	SCUSE, MICHAEL	Paris, FR	Washington, DC	B1	Bus Class Air	MSN	$5,448	$477
2012	USDA	6/8/2012	HUMBER, JEFFREY	Washington, DC	Paris, FR	B1	Bus Class Air	MSN	$2,221	$477
2012	USDA	6/8/2012	KNIPLING, EDWARD BYRON	Montpellier, FR	Paris, FR	F1	1st Class Air	CNF	$326	$105
2012	USDA	6/8/2012	OKAMURO, JACK KISHIRO	Montpellier, FR	Paris, FR	F1	1st Class Air	CNF	$326	$105
2012	USDA	6/8/2012	SHAFER, STEVEN RAY	Montpellier, FR	Paris, FR	F1	1st Class Air	CNF	$326	$105
2012	USDA	6/8/2012	WALTERS, JASON	Seattle, WA	Kansas City, MO	F1	1st Class Air	TRN	$634	$250
2012	USDA	6/9/2012	HUMBER, JEFFREY	Paris, FR	Tunis, TN	B1	Bus Class Air	MSN	$1,066	$147
2012	USDA	6/10/2012	MAXIME, JEDEDIAH JOHN	Caracas, VE	San Jose, CR	B7	Bus Class Air	MSN	$555	$165
2012	USDA	6/13/2012	HUMBER, JEFFREY	Paris, FR	Washington, DC	F1	1st Class Air	MSN	$2,221	$477
2012	USDA	6/13/2012	HUMBER, JEFFREY	Tunis, TN	Paris, FR	B1	Bus Class Air	MSN	$1,066	$147
2012	USDA	6/16/2012	JOHNSTON, FREDERIC NAZAR	Vienna, AT	Washington, DC	B1	Bus Class Air	MSN	$3,781	$687
2012	USDA	6/16/2012	JOHNSTON, FREDERIC NAZAR	Yerevan, AM	Vienna, AT	F1	1st Class Air	MSN	$1,882	$259
2012	USDA	6/25/2012	MCROBERTS, RONALD	Oslo, NO	Tromso, NO	B7	Bus Class Air	MSN	$453	$122
2012	USDA	6/28/2012	MCROBERTS, RONALD	Tromso, NO	Oslo, NO	B7	Bus Class Air	MSN	$453	$122
2012	USDA	7/4/2012	JORDAN JR, RAMON LEE	Hanover, DE	London, GB	B7	Bus Class Air	MSN	$316	$106
2012	USDA	7/14/2012	HEINEN, SUZANNE ELIZABETH	Doha, QA	Denpasar Bali, ID	B6	Bus Class Air	MSN	$660	$314
2012	USDA	7/16/2012	LEE, JOHN KENNETH	Los Angeles, CA	Tokyo, JP	F1	1st Class Air	MSN	$2,704	$423
2012	USDA	7/17/2012	LEE, JOHN KENNETH	Tokyo, JP	Bangkok, TH	B1	Bus Class Air	MSN	$2,152	$172
2012	USDA	7/20/2012	GLICK, DENNIS	Bilbao, ES	Paris, FR	F1	1st Class Air	MSN	$448	$131
2012	USDA	8/1/2012	LEE, JOHN KENNETH	Bangkok, TH	Tokyo, JP	F1	1st Class Air	MSN	$2,152	$172
2012	USDA	8/1/2012	LEE, JOHN KENNETH	Tokyo, JP	Los Angeles, CA	B1	Bus Class Air	MSN	$2,704	$423
2012	USDA	8/3/2012	QUICK, BRYCE ROSS	Washington, DC	Tokyo, JP	B1	Bus Class Air	MSN	$3,449	$1,081

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare a/	Coach Fare a/
2012	USDA	8/4/2012	FAIR, KRISTI KAY	Washington, DC	London, GB	B6	Bus Class Air	MSN	$2,568	$391
2012	USDA	8/4/2012	QUICK, BRYCE ROSS	Tokyo, JP	Ho Chi Minh, VN	B1	Bus Class Air	MSN	$2,091	$212
2012	USDA	8/5/2012	FAIR, KRISTI KAY	London, GB	Nairobi, KE	B6	Bus Class Air	MSN	$2,976	$564
2012	USDA	8/12/2012	QUICK, BRYCE ROSS	Bangkok, TH	Tokyo, JP	B1	Bus Class Air	MSN	$2,214	$172
2012	USDA	8/13/2012	QUICK, BRYCE ROSS	Tokyo, JP	Washington, DC	B1	Bus Class Air	MSN	$3,449	$1,081
2012	USDA	8/18/2012	BATCHELOR, MARK ANDREW	Salt Lake City, UT	San Francisco, CA	B7	Bus Class Air	MSN	$255	$143
2012	USDA	8/18/2012	WOTEKI, CATHERINE	Washington, DC	Beijing, CN	B6	Bus Class Air	MSN	$3,708	$1,153
2012	USDA	8/21/2012	HUMBER, JEFFREY	Washington, DC	Frankfurt, DE	B1	Bus Class Air	MSN	$1,569	$840
2012	USDA	8/22/2012	HUMBER, JEFFREY	Frankfurt, DE	Accra, GH	B1	Bus Class Air	MSN	$1,199	$302
2012	USDA	9/6/2012	WITTING, MARCELLA CATHERINE	Doha, QA	Paris, FR	B6	Bus Class Air	MSN	$1,447	$489
2012	USDA	9/6/2012	WITTING, MARCELLA CATHERINE	Islamabad/Rawalpindi, PK	Doha, QA	B6	Bus Class Air	MSN	$884	$270
2012	USDA	9/8/2012	BARBIERI, LAWRENCE	Paris, FR	Yerevan, AM	B6	Bus Class Air	MSN	$756	$330
2012	USDA	9/8/2012	MESSER, CHRISTINA STOUT	Paris, FR	Yerevan, AM	B6	Bus Class Air	MSN	$640	$330
2012	USDA	9/15/2012	EVETT, STEVEN ROY	Frankfurt, DE	Denver, CO	B6	Bus Class Air	MSN	$3,115	$791
2012	USDA	9/15/2012	EVETT, STEVEN ROY	Tel Aviv-Yafo, IL	Frankfurt, DE	B6	Bus Class Air	MSN	$1,137	$259
2012	USDA	9/16/2012	LEE, JOHN KENNETH	San Francisco, CA	Seoul, KR	B1	Bus Class Air	MSN	$3,514	$578
2012	USDA	9/22/2012	CACERES, MIGUEL	Antananarivo, MG	Johannesburg, ZA	B7	Bus Class Air	CNF	$650	$334
2012	USDA	9/23/2012	MARATOS, MARIS GEORGETTE	Port Moresby, PG	Sydney, NSW	B6	Bus Class Air	MSN	$1,847	$605
2012	USDA	9/24/2012	MEIKLE, WILLIAM GREMS	Paris, FR	Montpellier, FR	B9	Bus Class Air	MSN	$215	$105
2013	USDA	10/8/2012	HUMBER, JEFFREY	Washington, DC	Addis Ababa, ET	B1	Bus Class Air	MSN	$5,419	$1,369
2013	USDA	10/23/2012	HUMBER, JEFFREY	Nairobi, KE	Washington, DC	B1	Bus Class Air	MSN	$4,789	$1,590
2013	USDA	11/2/2012	JENNIFER M, PETERSON	TEL AVIV, ISR	AMMAN, JOR	B1	Bus Class Air	MSN	$10,028	$2,896
2013	USDA	11/2/2012	MARCH, JULIE	Washington, DC	Lilongwe, MW	B8	Bus Class Air	MSN	$4,489	$2,353
2013	USDA	11/13/2012	MARCH, JULIE	Lilongwe, MW	Washington, DC	B8	Bus Class Air	MSN	$5,215	$2,353
2013	USDA	11/30/2012	HUMBER, JEFFREY	Addis Ababa, ET	Washington, DC	B1	Bus Class Air	MSN	$4,199	$1,369
2013	USDA	11/30/2012	MICHAEL T, SCUSE	WASHINGTON, DC	FRANKFURT, DEU	B1	Bus Class Air	MSN	$9,057	$1,768
2013	USDA	11/30/2012	SCUSE, MICHAEL	Washington, DC	RU	B1	Bus Class Air	MSN	$4,628	$969
2013	USDA	12/8/2012	ALMANZA, ALFRED	WASHINGTON, DC	BEIJING, CHN	B6	Bus Class Air	MSN	$13,874	$2,402
2013	USDA	12/8/2012	JOHN R, CLIFFORD	WASHINGTON, DC	BEIJING, CHN	B6	Bus Class Air	MSN	$10,752	$1,201
2013	USDA	12/8/2012	MICHAEL T, SCUSE	FRANKFURT, DEU	WASHINGTON, DC	B1	Bus Class Air	MSN	$9,057	$1,768
2013	USDA	12/8/2012	MICHAEL T, SCUSE	ST PETERSBURG, RUS	FRANKFURT, DEU	B1	Bus Class Air	MSN	$9,057	$1,768
2013	USDA	12/8/2012	REBECCA A, BECH	WASHINGTON, DC	SANTIAGO, CHL	B1	Bus Class Air	MSN	$5,318	$658
2013	USDA	12/9/2012	ENGELJOHN, DANIEL	WASHINGTON, DC	BEIJING, CHN	B6	Bus Class Air	MSN	$14,259	$2,402
2013	USDA	12/12/2012	JOHN R, CLIFFORD	BEIJING, CHN	WASHINGTON, DC	B6	Bus Class Air	MSN	$9,047	$1,201
2013	USDA	12/12/2012	REBECCA A, BECH	SANTIAGO, CHL	WASHINGTON, DC	B1	Bus Class Air	MSN	$4,196	$658
2013	USDA	1/8/2013	MAGINNIS, HUGH	Washington, DC	Canberra, AU	B1	Bus Class Air	MSN	$8,135	$2,500
2013	USDA	1/25/2013	HUMBER, JEFFREY	Washington, DC	Addis Ababa, ET	B1	Bus Class Air	MSN	$4,363	$2,167
2013	USDA	2/6/2013	RICHARD J, PETERSON	KETCHIKAN, AK	ANCHORAGE, AK	F4	1st Class Air	SPC	$872	$718
2013	USDA	2/8/2013	HUMBER, JEFFREY	Addis Ababa, ET	Washington, DC	B1	Bus Class Air	MSN	$4,317	$2,167
2013	USDA	2/13/2013	MILLER, YOLANDE	Washington, DC	Abuja, NG	B1	Bus Class Air	MSN	$4,841	$1,292
2013	USDA	2/17/2013	EILERTS, GARY	Washington, DC	Rome, IT	B1	Bus Class Air	MSN	$5,676	$1,014
2013	USDA	2/22/2013	MILLER, YOLANDE	Abuja, NG	Washington, DC	B1	Bus Class Air	MSN	$4,841	$1,292

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Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare 1/	Coach Fare 2/
2013	USDA	2/22/2013	REBECCA A, BECH	WASHINGTON, DC	SYDNEY, AUS	B1	Bus Class Air	MSN	$20,021	$2,499
2013	USDA	2/24/2013	HUMBER, JEFFREY	Washington, DC	Accra, GH	B6	Bus Class Air	MSN	$4,327	$1,034
2013	USDA	2/26/2013	IGNATOWSKI, CLARE	Washington, DC	Monrovia-Roberts, LR	B1	Bus Class Air	MSN	$4,509	$1,699
2013	USDA	2/28/2013	EILERTS, GARY	Frankfurt, DE	Washington, DC	B1	Bus Class Air	MSN	$5,142	$1,014
2013	USDA	3/2/2013	REBECCA A, BECH	SYDNEY, AUS	WASHINGTON, DC	B1	Bus Class Air	MSN	$6,821	$833
2013	USDA	3/6/2013	HUMBER, JEFFREY	Accra, GH	Washington, DC	B6	Bus Class Air	MSN	$4,327	$1,034
2013	USDA	3/6/2013	IGNATOWSKI, CLARE	Monrovia/Roberts, LR	Washington, DC	B1	Bus Class Air	MSN	$4,509	$1,699
2013	USDA	3/16/2013	MILLER, YOLANDE	Washington, DC	Kinshasa, CG	B1	Bus Class Air	MSN	$8,898	$3,113
2013	USDA	3/22/2013	MILLER, YOLANDE	Kinshasa, CH	Washington, DC	B1	Bus Class Air	MSN	$8,898	$3,113
2013	USDA	4/5/2013	REBECCA A, BECH	WASHINGTON, DC	ROME, ITA	B1	Bus Class Air	MSN	$5,386	$1,848
2013	USDA	4/13/2013	REBECCA A, BECH	ROME, ITA	WASHINGTON, DC	B1	Bus Class Air	MSN	$5,386	$1,848
2013	USDA	4/14/2013	RUSSELL, DIANE	Washington, DC	Jakarta-Soekarno, ID	B6	Bus Class Air	MSN	$7,709	$2,288
2013	USDA	4/22/2013	CYNTHIA, MACKIE	BANGKOK, THA	PHNOM PENH, KAM	B1	Bus Class Air	MSN	$12,838	$12,372
2013	USDA	4/26/2013	RUSSELL, DIANE	Bangkok, TH	Washington, DC	B6	Bus Class Air	MSN	$5,794	$747
2013	USDA	5/6/2013	WILLIAM W, COVINGTON	PHOENIX, AZ	DENVER, CO	B1	Bus Class Air	MSN	$1,294	$399
2013	USDA	5/14/2013	EILERTS, GARY	Washington, DC	Dakar, SN	B1	Bus Class Air	MSN	$4,702	$948
2013	USDA	5/14/2013	HUMBER, JEFFREY	Washington, DC	London, GB	B6	Bus Class Air	MSN	$5,368	$456
2013	USDA	5/18/2013	HUMBER, JEFFREY	London, GB	Washington, DC	B6	Bus Class Air	MSN	$5,368	$456
2013	USDA	5/26/2013	EILERTS, GARY	Dakar, SN	Washington, DC	B1	Bus Class Air	MSN	$4,702	$948
2013	USDA	6/1/2013	REBECCA A, BECH	WASHINGTON, DC	BEIJING, CHN	B1	Bus Class Air	MSN	$14,230	$3,691
2013	USDA	6/3/2013	CATHERINE E, WOTEKI	WASHINGTON, DC	BEIJING, CHN	B6	Bus Class Air	MSN	$7,822	$1,225
2013	USDA	6/7/2013	REBECCA A, BECH	BEIJING, CHN	WASHINGTON, DC	B1	Bus Class Air	MSN	$5,286	$1,201
2013	USDA	6/8/2013	MICHAEL T, SCUSE	WASHINGTON, DC	ISTANBUL, TUR	B1	Bus Class Air	MSN	$10,863	$1,491
2013	USDA	6/8/2013	SCUSE, MICHAEL	Washington, DC	Istanbul, TR	B1	Bus Class Air	MSN	$5,108	$580
2013	USDA	6/15/2013	MICHAEL T, SCUSE	ANKARA, TUR	WASHINGTON, DC	B1	Bus Class Air	SPC	$10,863	$1,491
2013	USDA	6/15/2013	SCUSE, MICHAEL	Ankara-Esenboga, TR	Washington, DC	B1	Bus Class Air	MSN	$5,132	$651
2013	USDA	6/19/2013	ALMANZA, ALFRED	WASHINGTON, DC	MOSCOW, RUS	B6	Bus Class Air	MSN	$9,477	$1,938
2013	USDA	6/22/2013	EILERTS, GARY	Washington, DC	Istanbul, TR	B1	Bus Class Air	MSN	$4,500	$580
2013	USDA	6/22/2013	JOHNSTON, FREDERIC	Washington, DC	Yerevan, AM	B1	Bus Class Air	MSN	$5,403	$2,525
2013	USDA	6/26/2013	EILERTS, GARY	Istanbul, TR	Rome, IT	B1	Bus Class Air	MSN	$1,331	$580
2013	USDA	6/29/2013	EILERTS, GARY	Rome, IT	Washington, DC	B1	Bus Class Air	MSN	$3,482	$977
2013	USDA	7/3/2013	JOHNSTON, FREDERIC	Tbilisi, GE	Washington, DC	B1	Bus Class Air	MSN	$5,277	$2,525
2013	USDA	7/7/2013	HUMBER, JEFFREY	Washington, DC	PK	B6	Bus Class Air	MSN	$4,913	$1,943
2013	USDA	7/19/2013	HUMBER, JEFFREY	Islamabad/Rawalpind, PK	Washington, DC	B6	Bus Class Air	MSN	$4,913	$1,943
2013	USDA	8/8/2013	BEST, BARBARA	Washington, DC	Manila, ML	B1	Bus Class Air	MSN	$4,696	$1,293
2013	USDA	8/9/2013	HEINEN, SUZANNE	Washington, DC	Addis Ababa, ET	B6	Bus Class Air	MSN	$3,987	$1,369
2013	USDA	8/9/2013	SUZANNE E, HEINEN	WASHINGTON, DC	ADDIS ABABA, ETH	B6	Bus Class Air	SPC	$8,924	$3,500
2013	USDA	8/11/2013	QUICK, BRYCE	Washington, DC	Dubai, AE	B1	Bus Class Air	MSN	$5,313	$1,212
2013	USDA	8/16/2013	BRYCE, QUICK	Kabul, AF	Washington, DC	B1	Bus Class Air	MSN	$6,893	$2,319
2013	USDA	8/17/2013	RICHEY JR, BOBBY	Dubai, AE	Washington, DC	B6	Bus Class Air	MSN	$5,331	$1,212
2013	USDA	8/19/2013	THORBURN, WINSTON	Washington, DC	Taipei, TW	B1	Bus Class Air	MSN	$5,680	$920
2013	USDA	8/23/2013	ANN, BARTUSKA	WASHINGTON, DC	CAPE TOWN, ZAF	B6	Bus Class Air	CNF	$10,167	$5,082

USDA Premium Class Travel
FY 2010 - FY 2013

Fiscal Year	Federal Agency	Travel Date	Traveler Name	Origin	Destination	Exception Code	Prem. Travel Type	Purpose Code	Premium Fare [a]	Coach Fare [a]
2013	USDA	8/23/2013	BEST, BARBARA	Jakarta/Soekarno, ID	Washington, DC	B1	Bus Class Air	MSN	$5,434	$2,288
2013	USDA	9/13/2013	KARSTING, PHILIP	Washington, DC	Johannesburg, ZA	B6	Bus Class Air	MSN	$5,336	$1,676
2013	USDA	9/14/2013	ALEXIS, TAYLOR	WASHINGTON, DC	ZAF	B6	Bus Class Air	MSN	$11,249	$7,481
2013	USDA	9/14/2013	DARCI L, VETTER	WASHINGTON, DC	ZAF	B6	Bus Class Air	SPC	$11,249	$7,481
2013	USDA	9/14/2013	HARDEN, KRYSTA	Washington, DC	Johannesburg, ZA	B6	Bus Class Air	MSN	$4,862	$1,676
2013	USDA	9/14/2013	KRYSTA, HARDEN	WASHINGTON, DC	ZAF	B6	Bus Class Air	MSN	$11,249	$7,481
2013	USDA	9/14/2013	VETTER, DARCI	Washington, DC	Johannesburg, ZA	B6	Bus Class Air	MSN	$4,862	$1,676
2013	USDA	9/21/2013	QUICK, BRYCE	Washington, DC	Buenos Aires, AR	B1	Bus Class Air	MSN	$5,356	$837
2013	USDA	9/23/2013	MICHAEL T, SCUSE	PHILADELPHIA, PA	BUENOS AIRES, ARG	B1	Bus Class Air	MSN	$10,624	$2,868
2013	USDA	9/27/2013	MICHAEL T, SCUSE	BUENOS AIRES, ARG	MIAMI, FL	B1	Bus Class Air	MSN	$10,624	$2,868
2013	USDA	9/27/2013	QUICK, BRYCE	Buenos Aires, AR	Washington, DC	B1	Bus Class Air	MSN	$6,062	$837
2013	USDA	9/30/2013	DARCI L, VETTER	SINGAPORE, SGP	IDN	B6	Bus Class Air	MSN	$9,183	$4,084
2013	USDA	9/30/2013	DARCI L, VETTER A	WASHINGTON, DC	SINGAPORE, SGP	B6	Bus Class Air	MSN	$9,183	$4,084
2013	USDA	9/30/2013	DARCI, VETTER	Washington, DC	Denpasar Bali, ID	B6	Bus Class Air	SPC	$4,514	$3,144
			Total						$1,504,847	$411,997

[a] *Data provided for FY 2010 are estimates due to incomplete documentation uploaded into the GOVTrip travel system as required.*

USDA Premium Class Travel
FY 2014

Traveler First Name	Traveler Last Name	Origin	Destination	Travel Date	Exception Code	Purpose Code	Premium Fare	Coach Fare
			First Quarter					
Michael	Scuse	Washington, DC	Beijing, China	11/10/2013	B1	MSN	$7,694	$1,424
Michael	Scuse	Shanghai, China	Newark, NJ	11/15/2013	B1	MSN	8,212	906
Darci	Vetter	Washington, DC	Beijing, China	11/19/2013	B6	MSN	5,166	1,399
Darci	Vetter	Beijing, China	Washington, DC	11/23/2013	B6	MSN	5,166	1,399
Darci	Vetter	Washington, DC	Tokyo, Japan	12/1/2013	B6	MSN	8,855	1,432
Thomas	Vilsack	Washington, DC	Beijing, China	12/17/2013	B6	MSN	5,166	1,399
Thomas	Vilsack	Beijing, China	Detroit, IL	12/20/2013	B6	MSN	6,019	2,984
Alexis	Taylor	Washington DC	Beijing, China	12/17/2013	B6	MSN	7,703	1,399
Jeffrey	Humber	Washington, DC	Islambad, Pakistan	12/3/2013	B1	MSN	5,499	1,370
Jeffrey	Humber	Islambad, Pakistan	Washington, DC	12/12/2013	B1	MSN	5,499	1,370
Gary	Eilerts	Washington, DC	Juba, Kenya	11/30/2013	B1	MSN	5,885	2,360
Gary	Eilerts	Nairobi, Kenya	Washington, DC	12/5/2013	b1	MSN	6,077	1,239
Suzanne	Heinen	Washington, DC	Tokyo, Japan	11/30/2013	b6	MSN	8,855	1,432
			Second Quarter					
Gary	Eilerts	Washington, DC	Dubai, UAE	2/28/2014	B1	MSN	5,674	1,490
Gary	Eilerts	Dubai, UAE	Kabul, Afghanistan	3/3/2014	B1	MSN	674	597
Gary	Eilerts	Kabul, Afghanistan	Dubai, UAE	3/7/2014	B1	MSN	1,959	669
Gary	Eilerts	Dubai, UAE	Washington, DC	3/8/2014	B1	MSN	5,674	1,490
Gary	Eilerts	Washington, DC	Niamey, Niger	3/14/2014	B1	MSN	7,307	2,784
Gary	Eilerts	Niamey, Niger	Washington, DC	3/22/2014	B1	MSN	7,307	2,784
Daniel	Kingsley	Washington, DC	Bangkok, Thailand	1/20/2014	B1	MSN	6,157	885
Daniel	Kingsley	Bangkok, Thailand	Jakarta, Indonesia	1/25/2014	B1	MSN	887	887
Daniel	Kingsley	Jakarta, Indonesia	Washington, DC	2/5/2014	B1	MSN	5,117	1,600
Darci	Vetter	Washington, DC	Singapore, Singapore	2/17/2014	B6	MSN	7,368	1,178
			Third Quarter					
Gary	Eilerts	Washington, DC	Dubai, UAE	5/5/2014	B1	MSN	5,674	1,490
Gary	Eilerts	Dubai, UAE	Washington, DC	5/10/2014	B1	MSN	5,674	1,490
Philip	Karsting	Washington, DC	Beijing, China	5/5/2014	B2	MSN	9,201	1,424
Daniel	Kingsley	Washington, DC	Bangkok, Thailand	4/14/2014	B1	MSN	7,602	1,033
Daniel	Kingsley	Manila, Philippines	Detroit, IL	5/1/2014	B1	MSN	6,831	2,188
Darci	Vetter	Chicago, Illinois	Singapore, Singapore	5/17/2014	B6	MSN	8,639	679
Darci	Vetter	Singapore, Singapore	Washington, DC	5/21/2014	B6	MSN	6,005	1,178
			Fourth Quarter					
Bryce	Quick	Washington, DC	Ho Chi Minh City, Vietnam	8/23/2014	B1	MSN	6,373	947
Bryce	Quick	Ho Chi Minh City, Vietnam	Phnom Penh, Cambodia	8/28/2014	b1	MSN	240	240
Bryce	Quick	Bangkok, Thailand	Washington, DC.	9/4/2014	B1	MSN	5,700	885
Michael	Scuse	Washington, DC	Beijing, China	9/15/2014	B1	MSN	6,368	1,438
Michael	Scuse	Beijing, China	Washington, DC	9/19/2014	B1	MSN	6,368	1,438
Alphonse	Bigirimana	Washington, DC	Dar Es Salaam, Tanz	9/29/2014	B1	MSN	5,791	1,997
Alphonse	Bigirimana	Dar Es Salaam, Tanz	Washington, DC	10/12/2014	B1	MSN	5,791	2,403
Gary	Eilerts	Washington, DC	Rome	9/24/2014	B1	MSN	9,539	530
Gary	Eilerts	Addis Ababa, Ethiopia	Washington DC	10/4/2014	B1	MSN	5,239	2,402

Farmer to Farmer Program (FTF)

Mr. Aderholt: Please provide background including legislative language, 5 year funding history, and a program description of the FTF program.

Response: Legislative language (7 U.S. Code § 1737) for John Ogonowski and Doug Bereuter Farmer-to-Farmer Program follows.

(a) Definitions

In this section:

(1) Caribbean Basin country

The term "Caribbean Basin country" means a country eligible for designation as a beneficiary country under section 2702 of title 19.

(2) Emerging market

The term "emerging market" means a country that the Secretary determines—

(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.

(3) Middle income country

The term "middle income country" means a country that has developed economically to the point at which the country does not receive bilateral development assistance from the United States.

(4) Sub-Saharan African country

The term "sub-Saharan African country" has the meaning given the term in section 3706 of title 19.

(b) Provision

Notwithstanding any other provision of law, to further assist developing countries, middle-income countries, emerging markets, sub-Saharan African countries, and Caribbean Basin countries to increase farm production and farmer incomes, the President may—

(1) establish and administer a program, to be known as the "John Ogonowski and Doug Bereuter Farmer-to-Farmer Program", of farmer-to-farmer assistance between the United States and such countries to assist in—

(A) increasing food production and distribution; and

(B) improving the effectiveness of the farming and marketing operations of agricultural producers in those countries;

(2) use United States agricultural producers, agriculturalists, colleges and universities (including historically black colleges and universities, land grant colleges or universities, and foundations maintained by colleges or universities), private agribusinesses, private organizations (including grassroots organizations with an established and demonstrated capacity to carry out such a bilateral exchange program), private corporations, and

nonprofit farm organizations to work in conjunction with agricultural producers and farm organizations in those countries, on a voluntary basis—

(A) to improve agricultural and agribusiness operations and agricultural systems in those countries, including improving—

(i) animal care and health;

(ii) field crop cultivation;

(iii) fruit and vegetable growing;

(iv) livestock operations;

(v) food processing and packaging;

(vi) farm credit;

(vii) marketing;

(viii) inputs; and

(ix) agricultural extension; and

(B) to strengthen cooperatives and other agricultural groups in those countries;

(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on an individual basis, to those countries while enhancing the democratic process by supporting private and public agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

(4) to the maximum extent practicable, make grants to or enter into contracts or other cooperative agreements with private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available under subsection (d) of this section or has otherwise been provided in advance in appropriation Acts);

(5) coordinate programs established under this section with other foreign assistance programs and activities carried out by the United States; and

(6) to the extent that local currencies can be used to meet the costs of a program established under this section, augment funds of the United States that are available for such a program through the use, within the country in which the program is being conducted, of—

(A) foreign currencies that accrue from the sale of agricultural commodities and products under this chapter; and

(B) local currencies generated from other types of foreign assistance activities.

(c) Special emphasis on sub-Saharan African and Caribbean Basin countries

(1) Findings

Congress finds that—

(A) agricultural producers in sub-Saharan African and Caribbean Basin countries need training in agricultural techniques that are appropriate for the majority of eligible agricultural producers in those countries, including training in—

(i) standard growing practices;

(ii) insecticide and sanitation procedures; and

(iii) other agricultural methods that will produce increased yields of more nutritious and healthful crops;

(B) agricultural producers in the United States (including African-American agricultural producers) and banking and insurance professionals have agribusiness expertise that would be invaluable for agricultural producers in sub-Saharan African and Caribbean Basin countries;

(C) a commitment by the United States is appropriate to support the development of a comprehensive agricultural skills training program for those agricultural producers that focuses on—

(i) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(ii) teaching modern agricultural techniques that would facilitate a continual analysis of crop production, including—

(I) the identification and development of standard growing practices; and

(II) the establishment of systems for recordkeeping;

(iii) the use and maintenance of agricultural equipment that is appropriate for the majority of eligible agricultural producers in sub-Saharan African or Caribbean Basin countries;

(iv) the expansion of small agricultural operations into agribusiness enterprises by increasing access to credit for agricultural producers through—

(I) the development and use of village banking systems; and

(II) the use of agricultural risk insurance pilot products; and

(v) marketing crop yields to prospective purchasers (including businesses and individuals) for local needs and export; and

(D) programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign agricultural producers have been effective in promoting improved agricultural techniques and food security and the extension of additional resources to such farmer-to-farmer exchanges is warranted.

(2) Goals for programs carried out in sub-Saharan African and Caribbean Basin countries

The goals of programs carried out under this section in sub-Saharan African and Caribbean Basin countries shall be—

(A) to expand small agricultural operations in those countries into agribusiness enterprises by increasing access to credit for agricultural producers through—

(i) the development and use of village banking systems; and

(ii) the use of agricultural risk insurance pilot products;

(B) to provide training to agricultural producers in those countries that will—

(i) enhance local food security; and

(ii) help mitigate and alleviate hunger;

(C) to provide training to agricultural producers in those countries in groups to encourage participants to share and pass on to other agricultural producers in the home communities of the participants, the information and skills obtained from the training, rather than merely retaining the information and skills for the personal enrichment of the participants; and

(D) to maximize the number of beneficiaries of the programs in sub-Saharan African and Caribbean Basin countries.

(d) Minimum funding

Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than the greater of $10,000,000 or 0.5 percent of the amounts made available for each of fiscal years 2008 through 2013, and not less than the greater of $15,000,000 or 0.6 percent of the amounts made available for each of fiscal years 2014 through 2018, to carry out this chapter shall be used to carry out programs under this section, with—

(1) not less than 0.2 percent to be used for programs in developing countries; and

(2) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.

(e) Authorization of appropriations

(1) In general

There are authorized to be appropriated for each of fiscal years 2008 through 2018 to carry out the programs under this section—

(A) $10,000,000 for sub-Saharan African and Caribbean Basin countries; and

(B) $5,000,000 for other developing or middle-income countries or emerging markets not described in subparagraph (A).

(2) Administrative costs

Not more than 5 percent of the funds made available for a fiscal year under paragraph (1) may be used to pay administrative costs incurred in carrying out programs in sub-Saharan African and Caribbean Basin countries.

The John Ogonowski and Doug Bereuter Farmer-to-Farmer (F2F) Program provides voluntary technical assistance to farmers, farm groups and agribusinesses in developing countries to promote sustainable capacity building. The program relies on the expertise of U.S. volunteers from diverse backgrounds—farms, land grant universities, cooperatives, private agribusinesses, nonprofit farm organizations and others—to respond to the needs of host country farmers and organizations.

The F2F Program was initially authorized by Congress in the 1985 Farm Bill and is funded through Title V of Public Law 480. Since then it has been reauthorized five times, in 1990, 1995, 2002, 2008 and 2014. Since 1985, the program has fielded 15,851 volunteers to 111 countries. Volunteers have come from all 50 U.S. states and the District of Columbia. On average, each volunteer assignment is about 21 days.

Volunteers work on a wide range of activities, providing assistance to host organizations—private farmers, cooperatives, community groups, credit institutions, extension services, input supply

firms, agribusinesses and others. Assignments involve technology transfer, business planning, marketing, dairy development, horticulture, staple food production, aquaculture, and environmental conservation. Often, volunteer assistance is related to a larger on-going development program. Another important aspect of the F2F Program is the opportunity for cross-cultural exchange and understanding. The Program promotes peace and prosperity and an understanding of American values.

F2F has achieved substantial results: increasing sales for assisted host organizations by over $442 million and raising incomes by $132 million over the five year period FY 2009 - 2013 alone.

The five year funding history for the Program has been:

FY 2010	$12,500,000
FY 2011	$12,500,000
FY 2012	$10,000,000
FY 2013	$10,000,000
FY 2014	$15,000,000

Mr. Aderholt: Please provide a table of recipient organizations receiving funding for each fiscal year 2010-2014. Please include the country which the FTF program was implemented for each organization.

Response: Provided below is a table of implementing partners that received funding over the FY 2010 – FY 2014 timeframe. Also included is a list of the country locations and projects for each of these implementing partners, broken down between the two most recent planning phases of F2F. Finally, an additional chart is provided for the countries in which the F2F Special Program Support Projects operated. The Special Program Support Project funds smaller sub-award projects and provides limited program-wide support and technical strengthening for F2F's volunteer programs.

The information is submitted for the record.

[The information follows:]

Farmer to Farmer Recipient Organizations

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 *
• ACDI/VOCA • CNFA • Partners of the Americas • Winrock International • Weidemann Assoc., Inc.	• ACDI/VOCA • CNFA • Partners of the Americas • Winrock International • Weidemann Assoc., Inc.	• ACDI/VOCA • CNFA • Partners of the Americas • Winrock International • Weidemann Assoc., Inc.	• ACDI/VOCA • CNFA • Land O'Lakes • Partners of the Americas • Volunteers for Economic Growth Alliance (VEGA) CRS (Catholic Relief Services) • Weidemann Assoc., Inc. • Winrock International	• ACDI/VOCA • CNFA • Land O'Lakes • Partners of the Americas • Volunteers for Economic Growth Alliance (VEGA) CRS (Catholic Relief Services) • Winrock International
Sub-Awards included:				
• Cooperative Coffees • FAVACA • IESC • TechnoServe • U. of Arizona/ Aquaculture Without Borders • Veterinarians without Borders	• Cooperative Coffees • Florida A&M University • Iowa State University • Mercy Corps • NCBA • Purdue University • TechnoServe • Thunderbird School of Global Management	• FAVACA • Florida A&M University • Iowa State University • League of Hope • National Peace Corps Association • NCBA • TechnoServe • Thunderbird School of Global Management	• FAMU • Haiti Coffee • NCBA • University of Minnesota	• Purdue University • Veterinarians without Boarders • FAVACA

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 *
	• Veterinarians without Boarders	• U. of Arizona/Aquaculture Without Borders • Veterinarians without Borders • Volunteers for Economic Growth Alliance (VEGA)		

In addition, F2F's Special Program Support Projects supports smaller sub-award projects. The country locations of these activities were as follows:

The countries where the core programs operated from 2010-2014 are listed below:

- ACDI/VOCA/MENA
  - Egypt: Dairy; Horticulture
  - Lebanon: Small Ruminants; Horticulture

- ACDI/VOCA/West Africa
  - Ghana: Horticulture; Staple Foods
  - Mali: Staple Foods; Livestock
  - Nigeria: Staple Foods; Apiculture; Aquaculture
  - Liberia: Livestock; Horticulture

- CNFA/East Africa
  - Kenya: Grains; Oil Seeds; Horticulture
  - Tanzania: Grains; Legumes; Horticulture
  - Uganda: Grains; Oil Seeds

- CNFA/ECCA
  - Georgia: Dairy; Livestock; Fruits and Vegetables
  - Moldova: Dairy; Fruits and Vegetables
  - Tajikistan: Dairy/Livestock; Fruits and Vegetables
  - Ukraine: Dairy
  - Uzbekistan: Fruits and Vegetables

- CNFA/Southern Africa
  - Angola: Legumes; Horticulture
  - Malawi: Soybeans; Groundnuts; Horticulture

  - Mozambique: Oilseeds; Horticulture

- PARTNERS IN THE AMERICAS/Caribbean
  - Dominican Republic: Tree Crops; Horticulture
  - Guyana: Aquaculture; Horticulture
  - Haiti: Apiculture; Horticulture; Livestock
  - Nicaragua: Dairy

- WINROCK/Caribbean
  - El Salvador: Horticulture; Dairy

- WINROCK/Other
  - Bangladesh: Food Crops
  - Ethiopia: Food Security
  - Guinea: Food Security

<u>The intended countries where the core programs will operate from 2014-2018 are listed below:</u>

- ACDI/VOCA/Europe, Caucasus & Central Asia Program
  - Tajikistan: Producer Development, Rural Enterprises
  - Kyrgyzstan: Ag Education, Rural Enterprises, Financial Services
  - Georgia: Producer Development, Rural Enterprises, Ag Education
  - Armenia: Producer Organization Development, Rural Enterprises

- ACDI/VOCA/West Africa
  - Ghana: Staple Crops, Horticulture, Ag Education & Research
  - Liberia: Livestock, Horticulture, Youth in Agriculture
  - Senegal: Millet, Horticulture, Environmental Conservation
  - Democratic Republic of the Congo: Cassava, Poultry

- CNFA/Southern Africa
  - Malawi: Legumes, Horticulture
  - Mozambique: Legumes, Horticulture
  - Angola: Horticulture

- CRS/East Africa
  - Ethiopia: Grains (Maize & Rice)
  - Kenya: Livestock, Horticulture
  - Tanzania: Grains (Maize & Rice), Horticulture
  - Uganda: Grains (Maize)

- LAND O'LAKES/Middle East, North Africa
  - Egypt: Food Safety & Quality, Rural Finance

  - Lebanon: Food Safety & Quality, Rural Finance

- PARTNERS THE AMERICAS/Caribbean
  - Haiti: Rural Enterprise Development
  - Guatemala: Enterprise Development, Horticulture
  - Dominican Republic: Climate Change Adaptation
  - Nicaragua: Horticulture, Livestock & Dairy

- WINROCK/Agricultural Education & Training (AET)
  - Guinea: Formal Ag Education & Training, In-formal Ag Education & Training
  - Nigeria: Formal Ag Education & Training, In-formal Ag Education & Training
  - Senegal: Formal Ag Education & Training, In-formal Ag Education & Training

- WINROCK/Asia
  - Bangladesh: Youth Entrepreneurship, Ag Education & Training
  - Burma: Rural Development
  - Nepal: Youth Entrepreneurship, Ag Education & Training

The FY 2010-2014 Special Program Support Project under the implementing partner Weidemann Associates, Inc. included the following:

[The information follows:]

Implementer	**Country**
NCBA	Senegal, Zambia
FAMU	South Africa
Cooperative Coffees	Various
FAVACA	Caribbean
IESC	Ethiopia
Iowa State	Uganda
League of Hope	Haiti
Mercy Corps	Mongolia
NPCA	East Africa
Perdue	Costa Rica
Techno-serve	Peru
Thunderbird	Peru
U of Ariz. Aquaculture w/o Borders	Various
VEGA	Morocco
VWB	Liberia

Pending funding, the FY 2014-2018 Special Program Support Project under the implementing partner VEGA would include the following:

Implementer	**Country**
NCBA	El Salvador
FAMU	Haiti
Haiti Coffee	Haiti
University of Minnesota	Morocco
Purdue University	Colombia
FAVACA	Jamaica
Veterinarians without Boarders	Uganda, Ethiopia

Food for Progress

Mr. Aderholt: Please describe the limitations on shipping costs under the Food for Progress account, including the legislative language limiting amounts made available for shipping costs and any changes made to the language since the 2008 Farm Bill.

Response: The language related to the Food for Progress Program remained largely unchanged in the Agricultural Act of 2014. Transportation costs are limited to $40 million annually. The legislative language limiting amounts made available for shipping costs is as follows: "No funds of the Corporation in excess of $40,000,000 (exclusive of the cost of eligible commodities) may be used for each of fiscal years 1996 through 2018 to carry out this section with respect to eligible commodities made available under section 1431 (b) of this title unless authorized in advance in appropriation Acts."

Mr. Aderholt: Please provide a five year funding history table for Food for Progress. Please separate out the funding sources for each year including CCC and PL 480.

Response: The information is submitted for the record.

[The information follows:]

Food for Progress Funding by Source, FY 2010-2014

Fiscal Year	**PL 480, Title I**	**FFPr (CCC)**	**Total**
2010	$ 50,869,565	$ 180,232,714	$ 231,102,279
2011	$ -	$ 208,270,417	$ 208,270,417
2012	$ -	$ 278,784,211	$ 278,784,211
2013	$ -	$ 257,202,547	$ 257,202,547
2014	$ -	$ 229,993,547	$ 229,993,547

FAS/USAID Food Aid MOUs

Mr. Aderholt: Please provide the MOU and any other governing documents that establish the framework for coordination and implementation for the Food for Peace Title II program and the McGovern-Dole program.

Response: The divisions in USDA and USAID that administer food aid programs have a strong working relationship and regularly cooperate on a variety of issues. A Memorandum of Understanding (MOU), a copy of which is enclosed, was signed on May 2, 2014 between FAS and USAID. This MOU is to support collaboration between USAID's education programs and USDA's McGovern-Dole Program. It is expected to result in improved cognitive abilities and educational attainment among children enrolled in schools that benefit from both types of programs. USDA and USAID have formed a Technical Working Group to govern implementation of the MOU. It is the only governing document between FAS and USAID related to food assistance. The information is submitted for the record.

[The information follows:]

SENSITIVE BUT UNCLASSIFIED

MEMORANDUM OF UNDERSTANDING

Between the

United States Agency for International Development (USAID)

and the

United States Department of Agriculture (USDA)

I. Purpose

The United States Agency for International Development (USAID) and the United States Department of Agriculture (USDA) seek to leverage their respective strengths, experience, technologies, methodologies, investments, and resources (human, in-kind, and monetary) in order to facilitate, in collaboration with host country governments, improved student learning outcomes in a manner consistent with each respective agency's mission. This Memorandum of Understanding (MOU) provides a framework for collaboration between USAID and USDA(the "Participants").

II. Background

USAID provides resources to the education sector on a global scale to improve school conditions and learning outcomes. However, each day, more than 66 million children around the world go to school hungry. Hunger and malnutrition prevent an additional estimated 120 million school-age children from going to school at all; the majority of these out-of-school children are girls.

Research shows that providing in-school meals, mid-morning snacks, and take-home rations through school feeding programs can alleviate short-term hunger, increase children's ability to concentrate, and lead to an increase in girls' enrollment. These positive outcomes are greater among children who are chronically undernourished, usually the poorest children[1]. School feeding programs are targeted social safety nets that provide both educational and health benefits to the most vulnerable children, thereby increasing enrollment rates, reducing absenteeism, and improving food security at the household level.

Collaboration between USAID's education programs and USDA's McGovern-Dole International Food for Education and Child Nutrition ("McGovern-Dole") Program will result in improved cognitive abilities and educational attainment among children enrolled in schools that benefit from both types of programs. A strong USAID-USDA collaboration is likely to increase the impact of U.S. government investments in education and thereby contribute more significantly to the attainment of the education sector's millennium development goals.

United States Agency for International Development

USAID is an independent federal agency that supports international development and advances U.S. foreign policy objectives under the overall policy guidance of the U.S. Secretary of State. USAID typically works with a variety of higher education, nongovernmental organization (NGO), and public and private sector partners to implement training and technical assistance programs that build capacity at educational institutions in developing countries. USAID's work in education is framed around improved

[1] World Bank, Scaling up School Feeding: Keeping Children in School While Improving Their Learning and Health, April 2012.

This MOU designates two types of desired alignment. The first is alignment of countries receiving support. USAID and USDA will explore currently-operating projects for areas that could benefit from collaboration, while respecting the need for the projects to reach their intended beneficiaries and outcomes. USAID and USDA will discuss pilot countries in which projects and goals could be aligned. This could include colocation of programs within regions, schools, or both. The second type of alignment is alignment of programatic issues such as the exchange of best practices between USAID and USDA, the use of complementary and rigorous monitoring and evaluation protocols, and the cultivation of sustainability and host-country ownership through deliberate efforts to support transition of responsibility for school feeding and basic education support activities to host country governments. USAID and USDA intend to leverage their comparative advantages to streamline their alignment processes.

IV. Undertakings

As set forth in this MOU, the Participants intend to pursue opportunities through country-level programatic alignment.

In six to eight of the countries where both USAID and USDA support programming, the Participants intend to examine the possibilities for alignment of direct program implementation (in a phased approach), with a focus on:

- Implementation of programming in designated schools, districts, and regions in a collaborative manner, ensuring that food distribution, teacher training, and other educational programming are well-coordinated and complementary;
- Development and implementation of rigorous monitoring and evaluation plans to measure and document the value added by this collaborative effort, and;
- Active collaboration and engagement with the host-country government, including the development of feasible sustainability plans for the long-term continuation of the school feeding and educational support initiatives.

USAID and USDA intend to use the results of any impact evaluations conducted in these countries to inform future efforts to achieve alignment of direct program implementation in other contexts.

USAID and USDA program offices will meet within 90 days of the signing of this MOU to develop an action plan for future collaboration. Topics of discussion could include, among others: selecting pilot countries for future joint programming, aligning monitoring and evaluation structures, and conducting joint evaluations. The program offices in each agency will provide a report of the discussions to their respective senior leadership.

V. General Provisions

A. Effect of MOU

This MOU does not constitute a legal obligation or binding agreement or effect an obligation of funds by USAID or USDA, nor does it contemplate a transfer of funds or assumption of liability by either USAID or USDA. USAID and USDA will obligate, commit and expend funds, and carry out operations pursuant to this MOU, in accordance with the applicable laws and regulations of the United States.

B. Amendments and Termination

access to education, student learning, and youth and workforce development. USAID's current 5-year Education Strategy (2011-2015) targets three goals:

- Goal One: Improved *reading skills* for 100 million children in primary grades by 2015;
- Goal Two: Improved ability of tertiary and *workforce development* programs to produce a workforce with relevant skills to support country development goals by 2015; and
- Goal Three: Increased *equitable access to education* in crisis and conflict environments for 15 million learners by 2015.

Under its Education Strategy, USAID devotes significant resources to supporting improvements in the quality of basic education, financing programs that have a period of performance of between three and five years.

United States Department of Agriculture

USDA provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management. The Foreign Agricultural Service (FAS), an agency within USDA, works around the globe to build new markets, to sustain and expand existing ones, to improve the competitive position of U.S. agriculture, and to ensure food security and build agricultural capacity in fragile and developing markets.

FAS administers the McGovern-Dole Program. The McGovern-Dole Program is a global school feeding program that promotes education, child development, and food security for some of the world's poorest children. Named in honor of Ambassador and Senator George McGovern and Senator Robert Dole, the McGovern-Dole Program provides donations of agricultural commodities and financial and technical assistance for school feeding and maternal and child nutrition projects in low-income countries. The strategic objectives of the McGovern-Dole Program include:

- Improved Literacy of School Age Children; and
- Increased Use of Healthy Dietary Practices.

The McGovern-Dole Program aims to reduce hunger and improve literacy and primary education, especially for girls. By providing school meals, teacher training, and related support, McGovern-Dole Program projects help boost school enrollment and academic performance. USDA selects priority countries for the McGovern-Dole Program each year. The authorizing legislation for the McGovern-Dole Program, section 3107 of the Farm Security and Rural Investment Act of 2002, encourages USDA to select countries that meet the poverty criteria established by the World Bank and have a national government that is committed to or working toward achieving the goals of the World Declaration on Education for All. The legislation requires that all projects have a graduation plan in place to sustain the benefits to education once USDA assistance ceases.

III. Collaborative Objectives

In accordance with this MOU, USAID and USDA aim to align their programming by leveraging their respective investments to support collaborative activities between agency personnel, researchers, and implementing partners both in the U.S. and in developing countries. Aligning USAID's investments in education access and quality (Goals One and Three) with USDA's McGovern-Dole Program school feeding-based education projects will maximize cost-efficiency and efficacy, creating a holistic approach to the challenge of ensuring that children are physically and nutritionally fit to succeed in school.

This MOU may be amended or modified in writing as mutually agreed by USAID and USDA. Either Participant may terminate its participation in this MOU by giving the other Participant thirty (30) days' written notice.

C. Effective Date and Term

This MOU is effective as of the date it is signed below by representatives of both of the Participants and shall remain in effect unless terminated in writing by the Participants.

D. Designated Points of Contact

The primary points of contact for communications related to this MOU are listed below. Each Participant may update its point of contact by providing updated information to the contact for the other Participant.

For USAID:

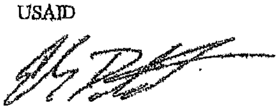
Assistant Administrator, E3 Bureau, Eric Postel
Ronald Region Building
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20523

For USDA:

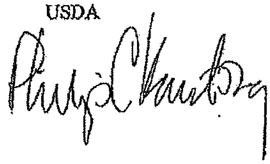
Administrator, Phil Karsting
1400 Independence Avenue, S.W.
Room 5071-South Building
Washington, D.C. 20250

In witness whereof, the Participants have caused this MOU to be signed in their names and delivered as of this second day of May, 2014.

USAID



USDA



FAS/USAID Food Aid MOUs

Mr. Aderholt: At the FY 2015 Agriculture Appropriations Subcommittee Budget hearing, FAS Administrator Karsting said he would continue implementing recommendations that included updating the MOU between FAS and USAID. Please describe and update the Subcommittee on any ongoing efforts to do so.

Response: FAS has one MOU with USAID, and it is to support collaboration between USAID's education programs and USDA's McGovern-Dole program. The Farm Service Administration (FSA) had an MOU in place with USAID, when it was known as the Agricultural Stabilization and Conservation Service, for the provision of freight and commodities under P.L. 480, Title III. This MOU was signed in 1991. However, since Title III has not been funded since 1994, this MOU is no longer used.

P.L. 480

Mr. Aderholt: Please list the commodities and recipient countries in the Title II program for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II Commodities and Recipient Countries
FY 2010 - FY 2014

Fiscal Year 2010	
Commodities	**Country**
Black Beans	Guatemala
	Haiti
Bulgur	Burkina Faso
	Burundi
	Chad
	Ethiopia
	Haiti
	India
	Liberia
	Mali
	Mauritania
	Niger
	Zambia
	Zimbabwe
Corn	Rwanda
Cornmeal	Burkina Faso
	Burundi
	CAR
	Chad
	DRC
	Kenya
	Rwanda
	Tanzania
	Uganda
Corn-soy blend	Burundi
	CAR
	Chad
	Djibouti
	DRC
	Ethiopia
	Guatemala
	Haiti
	Kenya
	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Niger
	Rwanda
	Sierra Leone

Fiscal Year 2010 (continued)	
Commodities	**Country**
Corn-soy blend	Somalia
	Sudan
	Tanzania
	Uganda
Crude Vegetable Oil	Guatemala
	Malawi
Garbanzo Beans	Nepal
Great Northern Beans	Algeria
	Niger
	Yemen
Green Peas	DRC
	Haiti
Green Split Peas	Mali
	Tanzania
	Uganda
Lentils	Algeria
	Bangladesh
	Burkina Faso
	Ecuador
	Ethiopia
	Haiti
	Mauritania
	Niger
	Sri Lanka
	Sudan
	Tajikistan
	Zambia
Pinto Beans	Colombia
	Ethiopia
	Guatemala
	Haiti
	Malawi
	Rwanda
	Uganda
	Yemen
	Zimbabwe
Red Beans	Niger
Rice	Afghanistan
	Algeria
	Burkina Faso
	Cameroon

Fiscal Year 2010 (continued)	
Commodities	**Country**
Rice	CAR
	Chad
	Colombia
	Djibouti
	Ethiopia
	Guatemala
	Haiti
	Laos
	Liberia
	Madagascar
	Nepal
	Niger
	Pakistan
	Philippines
	Republic of Congo
	Sierra Leone
Sorghum	Chad
	Ethiopia
	Kenya
	Madagascar
	Niger
	Somalia
	Sudan
	Uganda
	Zimbabwe
Soybeans	Liberia
Soy Flour	Liberia
Vegetable Oil	Afghanistan
	Algeria
	Bangladesh
	Burkina Faso
	Burundi
	Chad
	Colombia
	DRC
	Ecuador
	Ethiopia
	Guatemala
	Haiti
	India
	Kenya

Fiscal Year 2010 (continued)	
Commodities	**Country**
Vegetable Oil	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Nepal
	Niger
	Pakistan
	Philippines
	Republic of Congo
	Rwanda
	Sierra Leone
	Somalia
	Sri Lanka
	Sudan
	Tajikistan
	Tanzania
	Uganda
	Yemen
	Zimbabwe
Wheat	Afghanistan
	Bangladesh
	Burundi
	Chad
	Djibouti
	DRC
	Ethiopia
	Liberia
	Malawi
	Mauritania
	Mozambique
	Sri Lanka
	Uganda
	Yemen
Wheat Flour	Afghanistan
	Algeria
	Chad
	Colombia
	Ecuador
	Haiti
	Kenya

Fiscal Year 2010 (continued)	
Commodities	**Country**
Wheat Flour	Liberia
	Pakistan
	Sierra Leone
	Sri Lanka
	Tajikistan
	Yemen
Wheat Flour Bread	Chad
Wheat Soy Blend	Haiti
Yellow Peas	Afghanistan
	Burundi
	Djbiouti
	Ethiopia
	Haiti
	Madagascar
	Zimbabwe
Yellow Split Peas	Bangladesh
	CAR
	Chad
	DRC
	Ethiopia
	Kenya
	Liberia
	Madagascar
	Nepal
	Pakistan
	Republic of Congo
	Somalia
	Sri Lanka
	Sudan
	Uganda
	Yemen
	Zimbabwe

Fiscal Year 2011	
Commodities	**Country**
Bulgur	Burkina Faso
	Burundi
	Chad
	Ethiopia
	Haiti
	Liberia
	Mali
	Mauritania
	Niger
	Sierra Leone
	Zimbabwe
Corn	Chad
	Rwanda
Cornmeal	Burkina Faso
	Burundi
	CAR
	Chad
	DRC
	Kenya
	Rwanda
	Tanzania
	Uganda
Corn-soy blend	Burkina Faso
	Burundi
	CAR
	Chad
	Cote D'Ivoire
	Djibouti
	DRC
	Ethiopia
	Guatemala
	Haiti
	Kenya
	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Niger
	Rwanda
	Sierra Leone

Fiscal Year 2011 (continued)	
Commodities	**Country**
Corn-soy blend	Somalia
	Sudan
	Tanzania
	Uganda
Crude Vegetable Oil	Guatemala
	Malawi
Garbanzo Beans	Algeria
	Nepal
	West Bank/Gaza
Great Northern Beans	Algeria
	Niger
	Yemen
Green Peas	Haiti
Green Split Peas	Burkina Faso
	DRC
	Mali
Kidney Beans	Ecuador
Lentils	Algeria
	Bangladesh
	Burkina Faso
	Colombia
	Ecuador
	Ethiopia
	Haiti
	Mauritania
	Nepal
	Niger
	Sierra Leone
	South Sudan
	Sudan
	Zimbabwe
Pinto Beans	Colombia
	Ecuador
	Guatemala
	Libya
	Malawi
	Tanzania
	Zimbabwe
Red Beans	Niger
Rice	Algeria
	Bangladesh

Fiscal Year 2011 (continued)			Fiscal Year 2011 (continued)		
Commodities	**Country**		**Commodities**	**Country**	
Rice	Burkina Faso		Vegetable Oil	Libya	
	Cameroon			Liberia	
	Colombia			Madagascar	
	Cote D'lvoire			Malawi	
	Ethiopia			Mali	
	Guatemala			Mauritania	
	Laos			Nepal	
	Liberia			Niger	
	Madagascar			Pakistan	
	Nepal			Rwanda	
	Niger			Sierra Leone	
	Pakistan			Somalia	
	Philippines			Sri Lanka	
	Sierra Leone			Sudan	
Sorghum	Chad			South Sudan	
	Djibouti			Tanzania	
	Ethiopia			Uganda	
	Kenya			West Bank/Gaza	
	Madagascar			Yemen	
	Niger			Zimbabwe	
	Somalia		Wheat	Afghanistan	
	Sudan			Bangladesh	
	South Sudan			Burundi	
	Zimbabwe			Chad	
Vegetable Oil	Afghanistan			DRC	
	Algeria			Ethiopia	
	Bangladesh			Madagascar	
	Burkina Faso			Malawi	
	Burundi			Mauritania	
	CAR			Mozambique	
	Chad			Sierra Leone	
	Colombia			Uganda	
	Cote D'lvoire		Wheat Flour	Algeria	
	DRC			Chad	
	Djibouti			Colombia	
	Ecuador			Djibouti	
	Ethiopia			Ecuador	
	Guatemala			Kenya	
	Haiti			Libya	
	Kenya			Pakistan	
	Laos			Sri Lanka	

Fiscal Year 2011 (continued)		
Commodities	**Country**	
Wheat Flour	West Bank/Gaza	
	Yemen	
Wheat Soy Blend	Djibouit	
	Haiti	
	Pakistan	
	Yemen	
Yellow Peas	Burundi	
	Haiti	
Yellow Split Peas	Afghanistan	
	CAR	
	Bangladesh	
	Burundi	
	Chad	
	Cote D'Ivoire	
	DRC	
	Djibouti	
	Ethiopia	
	Kenya	
	Liberia	
	Madagascar	
	Nepal	
	Niger	
	Pakistan	
	Rwanda	
	Somalia	
	South Sudan	
	Sri Lanka	
	Sudan	
	Tanzania	
	Uganda	
	Yemen	
	Zimbabwe	

Fiscal Year 2012	
Commodities	**Country**
Bulgur	Ethiopia
	Liberia
	Mali
	Mauritania
	Sierra Leone
	Zimbabwe
Corn	Somalia
Cornmeal	Burundi
	CAR
	DRC
	Kenya
	Rwanda
	Tanzania
	Uganda
Corn-Soy Blend	Burkina Faso
	Burundi
	CAR
	Cameroon
	Chad
	Djibouti
	DRC
	Ethiopia
	Guatemala
	Haiti
	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Niger
	Rwanda
	Senegal
	Sierra Leone
	Somalia
	Tanzania
	Uganda
Corn-Soy Blend Plus	Haiti
	Somalia
Crude Vegetable Oil	Madagascar
	Algeria
	West Bank/Gaza

Fiscal Year 2012 (continued)	
Commodities	**Country**
Garbanzo Beans	Algeria
	Yemen
Great Northern Beans	Afghanistan
	Colombia
Green Peas	Tanzania
	Chad
	Kenya
Green Split Peas	Mali
	Uganda
	Yemen
	Algeria
Kidney Beans	Bangladesh
Lentils	Burkina Faso
	Chad
	Ethiopia
	Haiti
	Liberia
	Mali
	Mauritania
	Niger
	Sierra Leone
	Somalia
	South Sudan
	Sudan
	Uganda
	Cote D'Ivoire
	Ecuador
Pinto Beans	Guatemala
	Malawi
	Yemen
	Burundi
	Kenya
Ready-to-use Therapeutic Food	Sudan
	Uganda
	Algeria
	Bangladesh
Rice	Burkina Faso
	CAR
	Colombia
	Cote D'Ivoire
	Ethiopia

Fiscal Year 2012 (continued)	
Commodities	**Country**
	Guatemala
	Liberia
Rice	Madagascar
	Mali
	Mauritania
	Nepal
	Niger
	Pakistan
	Sierra Leone
	Chad
	Djibouti
Sorghum	Kenya
	Madagascar
	Somalia
	South Sudan
	Sudan
	Uganda
	Zimbabwe
	Burkina Faso
	Chad
Soy Fortified Bulgur	Haiti
	Mali
	Mauritania
	Niger
	Burkina Faso
	Afghanistan
Soy Fortified Cornmeal	Algeria
Vegetable Oil	Bangladesh
	Burkina Faso
	Burundi
	CAR
	Chad
	Colombia
	Cote D'Ivoire
	DRC
	Djibouti
	Ecuador
	Ethiopia
	Guatemala
	Haiti
	Kenya

Fiscal Year 2012 (continued)	
Commodities	**Country**
Vegetable Oil	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Nepal
	Niger
	Pakistan
	Sierra Leone
	Somalia
	South Sudan
	Sudan
	Tanzania
	Uganda
	West Bank/Gaza
	Yemen
	Zimbabwe
Wheat	Afghanistan
	Bangladesh
	Burundi
	DRC
	Ethiopia
	Madagascar
	Malawi
	Mozambique
	Sierra Leone
	Uganda
	Yemen
Wheat Flour	Algeria
	Djibouti
	Ecuador
	Kenya
	Liberia
	Yemen
Wheat Flour Bread	Chad
	West Bank/Gaza
Wheat Soy Blend	Haiti
	Pakistn
	Yemen
Yellow Peas	Ethiopia
	Zimbabwe

Fiscal Year 2012 (continued)	
Commodities	**Country**
Yellow Split Peas	Afghanistan
	Bangladesh
	Burkina Faso
	Burundi
	CAR
	Chad
	Cote D'Ivoire
	DRC
	Djibouti
	Ethiopia
	Haiti
	Kenya
	Liberia
	Malawi
	Mali
	Mauritania
	Niger
	Pakistan
	Rwanda
	Somalia
	South Sudan
	Tanzania
	Uganda
	Zimbabwe

Fiscal Year 2013	
Commodities	**Country**
Black Beans	Haiti
Bulgur	Ethiopia
	Liberia
	Haiti
	Mali
	Niger
	Sierra Leone
Corn	Somalia
Cornmeal	Burundi
	CAR
	DRC
	Tanzania
	Uganda
Corn-Soy Blend	Burkina Faso
	Burundi
	CAR
	Chad
	Cote D'Ivoire
	DRC
	Ethiopia
	Guatemala
	Haiti
	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania
	Niger
	Sierra Leone
	Somalia
	Tanzania
	Uganda
Corn-Soy Blend Plus	Haiti
Crude Vegetable Oil	Madagascar
Great Northern Beans	Algeria
	Niger
Green Peas	Tanzania
Green Split Peas	Algeria
	DRC
	Kenya
	Uganda

Fiscal Year 2013 (continued)	
Commodities	**Country**
Kidney Beans	Yemen
Lentils	Algeria
	Bangladesh
	Burkina Faso
	Chad
	Ethiopia
	Haiti
	Liberia
	Mali
	Mauritania
	Niger
	Sierra Leone
	South Sudan
	Sudan
Nutributter	Syria
Pinto Beans	Burundi
	CAR
	Colombia
	DRC
	Guatemala
	Malawi
Ready-to-use Supplementary Food	Somalia
Ready-to-use Therapeutic Food	Afghanistan
	Angola
	Burundi
	Pakistan
	Somalia
	South Sudan
	Yemen
Rice	Algeria
	Burkina Faso
	Burundi
	CAR
	Colombia
	Cote D'Ivoire
	Ethiopia
	Guatemala
	Liberia
	Madagascar
	Mali
	Mauritania

Fiscal Year 2013 (continued)	
Commodities	**Country**
Rice	Nepal
	Niger
	Pakistan
	Philippines
	Rwanda
	Sierra Leone
	Sri Lanka
Rice Bars	Syria
Sorghum	Chad
	Djibouti
	Kenya
	Madagascar
	Somalia
	South Sudan
	Sudan
	Uganda
	Zimbabwe
Soy Fortified Bulgur	Burkina Faso
	Chad
	Haiti
	Niger
Soy Fortified Cornmeal	Burkina Faso
Vegetable Oil	Afghanistan
	Algeria
	Bangladesh
	Burkina Faso
	Burundi
	CAR
	Chad
	Colombia
	Cote D'Ivoire
	DRC
	Ethiopia
	Guatemala
	Haiti
	Kenya
	Liberia
	Madagascar
	Malawi
	Mali
	Mauritania

Fiscal Year 2013 (continued)	
Commodities	**Country**
Vegetable Oil	Nepal
	Niger
	Pakistan
	Rwanda
	Sierra Leone
	Somalia
	South Sudan
	Sudan
	Tanzania
	Uganda
	Yemen
	Zimbabwe
Wheat	Afghanistan
	Bangladesh
	Burundi
	DRC
	Ethiopia
	Madagascar
	Malawi
	Mozambique
	Sierra Leone
	Syria
	Uganda
	Yemen
Wheat Bars	Syria
Wheat Flour	Djbiouti
	Kenya
	Liberia
Wheat Flour Bread	Chad
Wheat Soy Blend	Djibouti
	Haiti
	Pakistan
Yellow Peas	Afghanistan
	Algeria
	Ethiopia
	Haiti
	Somalia
	Uganda
	Zimbabwe
Yellow Split Peas	Afghanistan
	Bangladesh

Fiscal Year 2013 (continued)		
Commodities	**Country**	
Yellow Split Peas	Burkina Faso	
	CAR	
	Chad	
	Cote D'Ivoire	
	DRC	
	Djibouti	
	Ethiopia	
	Kenya	
	Liberia	
	Malawi	
	Mali	
	Mauritania	
	Nepal	
	Niger	
	Pakistan	
	Rwanda	
	Somalia	
	South Sudan	
	Sri Lanka	
	Sudan	
	Yemen	

Fiscal Year 2014 (thru July 2014)		
Commodities	**Country**	
Black Beans	Mali	
Bulgur	Ethiopia	
	Liberia	
	Haiti	
	Niger	
	Sierra Leone	
Corn	Cameroon	
Cornmeal	Burundi	
	CAR	
	DRC	
	Tanzania	
	Uganda	
Corn-Soy Blend	Burundi	
	DRC	
	Guatemala	
Corn-Soy Blend Plus	Burkina Faso	
	Cote D'Ivoire	
	Ethiopia	
	Guatemala	
	Haiti	
	Liberia	
	Mali	
	Niger	
	Sierra Leone	
	Somalia	
	Uganda	
	Zimbabwe	
Green Split Peas	Algeria	
	DRC	
Lentils	Algeria	
	Bangladesh	
	Burkina Faso	
	Haiti	
	Mauritania	
	Sierra Leone	
	Uganda	
Pinto Beans	Burundi	
	Guatemala	
Ready-to-use Therapeutic Food	Afghanistan	
	Burundi	
	CAR	

Fiscal Year 2014 (thru July 2014)	
Commodities	**Country**
Ready-to-use Therapeutic Food	Chad
	DRC
	Kenya
	Pakistan
	Somalia
	Sudan
Rice	Burkina Faso
	Cameroon
	CAR
	Colombia
	Cote D'Ivoire
	Guatemala
	Liberia
	Pakistan
	Senegal
Sorghum	Chad
	Djibouti
	Ethiopia
	Kenya
	Somalia
	South Sudan
	Sudan
	Uganda
	Zimbabwe
Soy Fortified Bulgur	Burkina Faso
Soy Fortified Cornmeal	Burkina Faso
Vegetable Oil	Afghanistan
	Bangladesh
	Burkina Faso
	Chad
	Colombia
	DRC
	Ethiopia
	Guatemala
	Haiti
	Liberia
	Mali
	Niger
	Sierra Leone
	Somalia
	South Sudan

Fiscal Year 2014 (thru July 2014)		
Commodities	**Country**	
Vegetable Oil	Uganda	
	Zimbabwe	
Wheat	Afghanistan	
	Bangladesh	
	Ethiopia	
	West Bank/Gaza	
	Yemen	
Wheat Flour	Djbiouti	
	Kenya	
Wheat Soy Blend	Djibouti	
	Pakistan	
Yellow Peas	Uganda	
	Zimbabwe	
Yellow Split Peas	Afghanistan	
	Bangladesh	
	Burkina Faso	
	Cameroon	
	DRC	
	Ethiopia	
	Kenya	
	Liberia	
	Niger	
	Pakistan	
	South Sudan	
	Sudan	

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Mr. Aderholt: Please provide a list of all the organizations participating in the Title II program, for both Emergency and Development Partners.

Response: The information is submitted for the record.

[The information follows:]

Title II Implementing Partner Organizations				
FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (Aug.)
ACDI/VOCA**	ACDI/VOCA	ACDI/VOCA	ACDI/VOCA	ACDI/VOCA
Adventist Development and Relief Agency (ADRA)	Adventist Development and Relief Agency (ADRA)	Adventist Development and Relief Agency (ADRA)	Adventist Development and Relief Agency (ADRA)	ACF International*
Africare	Africare	Africare	Africare	Adventist Development and Relief Agency (ADRA)
CARE International**	CARE International	CARE International	CARE International	Africare
Catholic Relief Services (CRS)**	Catholic Relief Services (CRS)**	Catholic Relief Services (CRS)**	Catholic Relief Services (CRS)**	CARE International**
Counterpart International (CPI)**	Counterpart International (CPI)**	Counterpart International (CPI)	Counterpart International (CPI)	Catholic Relief Services (CRS)**
Food for the Hungry International (FHI)	Food for the Hungry International (FHI)	Food for the Hungry International (FHI)	CNFA	Counterpart International (CPI)
Mercy Corps Internaitonal (MCI)	Mercy Corps Internaitonal (MCI)	International Organization for Migration (IOM)*	Food for the Hungry International (FHI)	CNFA
Norweigan People's Aid (NPA)*	OICI International	Mercy Corps Internaitonal (MCI)	Mercy Corps Internaitonal (MCI)	Food and Agriculture Organization of the UN (FAO)*
OICI International	Project Concern International (PCI)**	OICI International	OICI International	Food for the Hungry International (FHI)
Relief Society of Tigray (REST)**	Relief Society of Tigray (REST)**	Relief Society of Tigray (REST)	Relief Society of Tigray (REST)	Mercy Corps Internaitonal (MCI)**
Save the Children Federation (SCF)**	Save the Children Federation (SCF)**	Save the Children Federation (SCF)	Save the Children Federation (SCF)	OICI International
Save the Children UK (SCF-UK)	SHARE Guatemala	United Nations Children's Fund (UNICEF)*	United Nations Children's Fund (UNICEF)*	Relief Society of Tigray (REST)
SHARE Guatemala	World Food Program (WFP)*	World Food Program (WFP)*	World Food Program (WFP)*	Save the Children Federation (SCF)**
World Food Program (WFP)*	World Vision US (WVUS)**	World Vision US (WVUS)	World Vision US (WVUS)**	United Nations Children's Fund (UNICEF)*
World Vision US (WVUS)**				World Food Program (WFP)*
				World Vision International (WVI)**

** Emergency Partner Only*

*** Both Emergency and Development Partner*

Note: Some implementing partner organizations are sensitive in order to protect staff and beneficiaries in dangerous settings such as Sudan, Somalia, and Syria.

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Mr. Aderholt: Please provide a table showing the cost of internal transportation for each fiscal year 2010-2014 and tonnage of commodities shipped for the Title II program. These costs are to include Internal Transport, Storage, Distribution, and Handling Costs (ITSH).

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II
Internal Transport, Storage, Distribution and Handling Costs
FY 2010 – 2014

Fiscal Year	Metric Tons	ITSH
2010	2,152,940	$ 481,444,400
2011	1,461,660	$ 383,262,700
2012	1,426,520	$ 405,165,600
2013	1,107,940	$ 372,433,700
2014 (as of 10/27)	1,079,591	$ 481,125,352

Mr. Aderholt: Please provide a table showing the ITSH costs for the Title II program in each recipient country for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II: Internal Transport, Storage, Distribution & Handling Costs
FY 2010 - 2014

Fiscal Year 2010

Country	ITSH Emergency	ITSH Development	Total ITSH
Afghanistan	$ 10,577,500	$ 3,228,300	$ 13,805,800
Algeria	$ 1,078,100	$ -	$ 1,078,100
Bangladesh	$ -	$ 2,306,300	$ 2,306,300
Burkina Faso	$ -	$ 1,570,000	$ 1,570,000
Burundi	$ 892,100	$ 337,400	$ 1,229,500
Cameroon	$ 1,530,400	$ -	$ 1,530,400
CAR	$ 1,960,300	$ -	$ 1,960,300
Chad	$ 24,423,900	$ 559,300	$ 24,983,200
Colombia	$ 2,197,300	$ -	$ 2,197,300
Djibouti	$ 639,000	$ -	$ 639,000
DRC	$ 24,690,900	$ 1,214,600	$ 25,905,500
Ecuador	$ 212,500	$ -	$ 212,500
Ethiopia	$ 67,472,800	$ 8,890,100	$ 76,362,900
Guatemala	$ 2,479,000	$ -	$ 2,479,000
Haiti	$ 33,468,100	$ 5,620,000	$ 39,088,100
Kenya	$ 26,271,300	$ -	$ 26,271,300
Liberia	$ -	$ 1,489,700	$ 1,489,700
Madagascar	$ 1,512,200	$ 2,016,500	$ 3,528,700
Malawi	$ -	$ 1,728,100	$ 1,728,100
Mali	$ -	$ 812,700	$ 812,700
Mauritania	$ -	$ 788,400	$ 788,400
Nepal	$ 482,500	$ -	$ 482,500
Niger	$ 13,366,000	$ -	$ 13,366,000
Pakistan	$ 21,272,100	$ -	$ 21,272,100
Philippines	$ 2,219,900	$ -	$ 2,219,900
Republic of Congo	$ 1,364,700	$ -	$ 1,364,700
Rwanda	$ 917,000	$ -	$ 917,000
Sierra Leone	$ -	$ 1,066,700	$ 1,066,700
Somalia	$ 4,165,300	$ -	$ 4,165,300
Sri Lanka	$ 2,452,900	$ -	$ 2,452,900
Sudan	$ 138,790,500	$ 16,736,400	$ 155,526,900
Tajikistan	$ 1,686,500	$ -	$ 1,686,500
Tanzania	$ 1,881,500	$ -	$ 1,881,500
Uganda	$ 3,615,000	$ 2,427,200	$ 6,042,200
Yemen	$ 2,518,300	$ -	$ 2,518,300
Zambia	$ -	$ 733,000	$ 733,000
Zimbabwe	$ 35,782,100	$ -	$ 35,782,100
Total	**$ 429,919,700**	**$ 51,524,700**	**$ 481,444,400**

P.L. 480 Title II: Internal Transport, Storage, Distribution & Handling Costs
FY 2010 - 2014

Fiscal Year 2011			
Country	**ITSH Emergency**	**ITSH Development**	**Total ITSH**
Afghanistan	$ 37,230,300	$ 2,654,200	$ 39,884,500
Algeria	$ 1,311,000	$ -	$ 1,311,000
Bangladesh	$ 151,100	$ 4,881,100	$ 5,032,200
Burkina Faso	$ -	$ 1,861,000	$ 1,861,000
Burundi	$ 1,700,000	$ 1,371,700	$ 3,071,700
Cameroon	$ 1,196,100	$ -	$ 1,196,100
CAR	$ 2,027,200	$ -	$ 2,027,200
Chad	$ 19,316,900	$ -	$ 19,316,900
Colombia	$ 2,751,200	$ -	$ 2,751,200
Cote D'Ivoire	$ 1,492,900	$ -	$ 1,492,900
Djibouti	$ 1,301,500	$ -	$ 1,301,500
DRC	$ 11,898,500	$ 4,192,500	$ 16,091,000
Ecuador	$ 481,800	$ -	$ 481,800
Ethiopia	$ 35,379,800	$ 7,358,200	$ 42,738,000
Guatemala	$ 2,041,000	$ -	$ 2,041,000
Haiti	$ 2,743,700	$ 7,444,200	$ 10,187,900
Kenya	$ 26,014,300	$ -	$ 26,014,300
Laos	$ 285,500		$ 285,500
Liberia	$ 4,590,900	$ 1,373,800	$ 5,964,700
Libya	$ 1,140,700	$ -	$ 1,140,700
Madagascar	$ 989,100	$ 1,571,000	$ 2,560,100
Malawi	$ -	$ 1,583,400	$ 1,583,400
Mali	$ -	$ 738,900	$ 738,900
Mauritania	$ -	$ 777,500	$ 777,500
Nepal	$ 5,402,200	$ -	$ 5,402,200
Niger	$ 6,675,600	$ 205,500	$ 6,881,100
Pakistan	$ 23,959,900	$ -	$ 23,959,900
Philippines	$ 1,614,300	$ -	$ 1,614,300
Rwanda	$ 1,418,000	$ -	$ 1,418,000
Sierra Leone	$ -	$ 1,075,000	$ 1,075,000
Somalia	$ 12,833,100	$ -	$ 12,833,100
South Sudan	$ 15,753,200	$ 5,154,100	$ 20,907,300
Sri Lanka	$ 1,574,100	$ -	$ 1,574,100
Sudan	$ 96,569,400	$ -	$ 96,569,400
Tanzania	$ 2,060,200	$ -	$ 2,060,200
Uganda	$ 2,445,400	$ 616,200	$ 3,061,600
West Bank/Gaza	$ 653,900	$ -	$ 653,900
Yemen	$ 2,865,100	$ -	$ 2,865,100
Zimbabwe	$ 12,536,500	$ -	$ 12,536,500
Total	**$ 340,404,400**	**$ 42,858,300**	**$ 383,262,700**

P.L. 480 Title II: Internal Transport, Storage, Distribution & Handling Costs
FY 2010 - 2014

Fiscal Year 2012						
Country	**ITSH Emergency**		**ITSH Development**		**Total ITSH**	
Afghanistan	$	21,816,700	$	-	$	21,816,700
Algeria	$	1,310,800	$	-	$	1,310,800
Bangladesh	$	104,500	$	3,036,700	$	3,141,200
Burkina Faso	$	2,210,200	$	761,300	$	2,971,500
Burundi	$	1,736,700	$	1,462,100	$	3,198,800
Cameroon	$	278,500	$	-	$	278,500
CAR	$	3,409,600	$	-	$	3,409,600
Chad	$	18,797,100	$	966,500	$	19,763,600
Colombia	$	1,715,000	$	-	$	1,715,000
Cote D'Ivoire	$	4,563,900	$	-	$	4,563,900
Djibouti	$	562,700	$	-	$	562,700
DRC	$	9,010,900	$	5,194,700	$	14,205,600
Ecuador	$	367,700	$	-	$	367,700
Ethiopia	$	26,466,200	$	15,113,400	$	41,579,600
Haiti	$	-	$	7,522,700	$	7,522,700
Kenya	$	19,910,500	$	-	$	19,910,500
Liberia	$	2,977,600	$	1,435,700	$	4,413,300
Madagascar	$	-	$	2,000,000	$	2,000,000
Malawi	$	1,057,700	$	1,579,600	$	2,637,300
Mali	$	4,048,100	$	554,800	$	4,602,900
Mauritania	$	2,400,900	$	493,000	$	2,893,900
Nepal	$	2,483,500	$	-	$	2,483,500
Niger	$	8,899,600	$	1,660,200	$	10,559,800
Pakistan	$	14,127,300	$	-	$	14,127,300
Rwanda	$	513,700	$	-	$	513,700
Senegal	$	910,400	$	-	$	910,400
Sierra Leone	$	-	$	652,000	$	652,000
Somalia	$	22,395,700	$	-	$	22,395,700
South Sudan	$	60,930,000	$	10,545,900	$	71,475,900
Sudan	$	86,351,300	$	-	$	86,351,300
Tanzania	$	1,730,900	$	-	$	1,730,900
Uganda	$	2,842,000	$	2,727,200	$	5,569,200
West Bank/Gaza	$	3,336,900	$	-	$	3,336,900
Yemen	$	11,926,900	$	-	$	11,926,900
Zimbabwe	$	10,266,300	$	-	$	10,266,300
Total	$	**349,459,800**	$	**55,705,800**	$	**405,165,600**

P.L. 480 Title II: Internal Transport, Storage, Distribution & Handling Costs
FY 2010 - 2014

Fiscal Year 2013						
Country	**ITSH Emergency**		**ITSH Development**		**Total ITSH**	
Afghanistan	$	13,476,700	$	-	$	13,476,700
Algeria	$	1,082,300	$	-	$	1,082,300
Angola	$	96,300	$	-	$	96,300
Bangladesh	$	-	$	2,378,400	$	2,378,400
Burkina Faso	$	400,800	$	-	$	400,800
Burundi	$	2,432,200	$	326,600	$	2,758,800
CAR	$	3,101,700	$	-	$	3,101,700
Chad	$	12,913,800	$	-	$	12,913,800
Colombia	$	1,819,500	$	-	$	1,819,500
Cote D'Ivoire	$	3,208,600	$	-	$	3,208,600
Djibouti	$	1,027,200	$	-	$	1,027,200
DRC	$	15,293,200	$	4,992,600	$	20,285,800
Ethiopia	$	25,814,200	$	14,299,800	$	40,114,000
Haiti	$	2,679,000	$	1,486,700	$	4,165,700
Kenya	$	31,336,500	$	-	$	31,336,500
Liberia	$	1,623,700	$	1,183,800	$	2,807,500
Madagascar	$	-	$	516,300	$	516,300
Malawi	$	848,400	$	840,700	$	1,689,100
Mali	$	4,006,400	$	-	$	4,006,400
Mauritania	$	2,232,800	$	-	$	2,232,800
Nepal	$	353,100	$	-	$	353,100
Niger	$	6,078,300	$	-	$	6,078,300
Pakistan	$	16,066,000	$	-	$	16,066,000
Philippines	$	762,700	$	-	$	762,700
Rwanda	$	1,463,800	$	-	$	1,463,800
Sierra Leone	$	-	$	1,186,200	$	1,186,200
Somalia	$	22,144,500	$	-	$	22,144,500
South Sudan	$	58,251,500	$	11,284,000	$	69,535,500
Sri Lanka	$	305,800	$	-	$	305,800
Sudan	$	68,774,400	$	-	$	68,774,400
Syria	$	7,748,200	$	-	$	7,748,200
Tanzania	$	1,347,300	$	-	$	1,347,300
Uganda	$	2,997,800	$	2,369,400	$	5,367,200
Yemen	$	16,164,000	$	-	$	16,164,000
Zimbabwe	$	4,095,400	$	3,442,600	$	7,538,000
Total	**$**	**329,946,100**	**$**	**44,307,100**	**$**	**374,253,200**

P.L. 480 Title II: Internal Transport, Storage, Distribution & Handling Costs
FY 2010 - 2014

Fiscal Year 2014						
Country	**ITSH Emergency**		**ITSH Development**		**Total ITSH**	
Afghanistan	$	24,003,300	$	-	$	24,003,300
Algeria	$	602,400	$	-	$	602,400
Bangladesh	$	-	$	2,130,000	$	2,130,000
Burkina Faso	$	459,900	$	-	$	459,900
Burundi	$	2,223,500	$	-	$	2,223,500
Cameroon	$	1,032,700	$	-	$	1,032,700
CAR	$	3,552,100	$	-	$	3,552,100
Chad	$	17,337,200	$	-	$	17,337,200
Colombia	$	1,907,600	$	-	$	1,907,600
Cote D'Ivoire	$	1,757,100	$	-	$	1,757,100
Djibouti	$	1,042,700	$	-	$	1,042,700
DRC	$	19,024,700	$	4,925,400	$	23,950,100
Ethiopia	$	30,788,200	$	10,448,800	$	41,237,000
Haiti	$		$	1,875,100	$	1,875,100
Iraq	$	21,800	$	-	$	21,800
Kenya	$	27,459,100	$	-	$	27,459,100
Liberia	$	152	$	718,200	$	718,352
Malawi	$	237,300	$	2,000,000	$	2,237,300
Mali	$	4,267,600	$	-	$	4,267,600
Mauritania	$	1,671,300	$	-	$	1,671,300
Niger	$	5,351,800	$	949,300	$	6,301,100
Pakistan	$	14,568,300	$	-	$	14,568,300
Philippines	$	2,974,900	$	-	$	2,974,900
Senegal	$	577,500	$	-	$	577,500
Sierra Leone	$	-	$	698,600	$	698,600
Somalia	$	27,204,900	$	-	$	27,204,900
South Sudan	$	160,617,100	$	-	$	160,617,100
Sudan	$	76,653,200	$	-	$	76,653,200
Tanzania	$	1,206,900	$	-	$	1,206,900
Uganda	$	2,134,500	$	2,777,500	$	4,912,000
West Bank/Gaza	$	2,043,700	$	-	$	2,043,700
Yemen	$	16,091,300	$	-	$	16,091,300
Zimbabwe	$	1,963,000	$	3,451,700	$	5,414,700
Regional- Ebola		2,375,000			$	2,375,000
Total		**451,150,752**		**29,974,600**		**481,125,352**

Mr. Aderholt: Please provide a table showing the cost of external transportation for the Title II program for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L 480 Title II:
External Transportation Costs
FY 2010 – 2014

FY	Metric Tons	Ocean Freight	Inland Freight	Total External Transportation
2010	2,152,940	$ 317,616,000	$ 161,373,500	$ 478,989,500
2011	1,461,660	$ 242,920,100	$ 97,825,800	$ 340,745,900
2012	1,426,520	$ 254,995,500	$ 106,624,100	$ 361,619,600
2013	1,107,940	$ 154,212,600	$ 95,552,100	$ 249,764,700
2014 (as of 10/27)	1,079,591	$ 145,584,700	$ 89,188,900	$ 234,773,600

Mr. Aderholt: Please provide a table showing the cost of external transportation for each recipient country for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II: External Transportation Costs
FY 2010 - 2014

Fiscal Year 2010						
Country	**Ocean Freight**		**Inland Freight**		**Total**	
Afghanistan	$	6,368,700	$	7,818,300	$	14,187,000
Algeria	$	986,900	$	-	$	986,900
Bangladesh	$	12,405,100	$	-	$	12,405,100
Burkina Faso	$	2,011,000	$	2,453,000	$	4,464,000
Burundi	$	2,496,100	$	1,327,500	$	3,823,600
Cameroon	$	733,600	$	-	$	733,600
CAR	$	749,400	$	1,100,600	$	1,850,000
Chad	$	12,911,300	$	27,877,900	$	40,789,200
Colombia	$	1,176,300	$	-	$	1,176,300
Djibouti	$	518,500	$	-	$	518,500
DRC	$	18,003,800	$	17,337,200	$	35,341,000
Ecuador	$	118,900	$	-	$	118,900
Ethiopia	$	86,667,900	$	67,690,900	$	154,358,800
Guatemala	$	5,462,800	$	-	$	5,462,800
Haiti	$	30,321,900	$	-	$	30,321,900
India	$	1,048,800	$	-	$	1,048,800
Kenya	$	21,510,200	$	-	$	21,510,200
Liberia	$	3,242,600	$	-	$	3,242,600
Madagascar	$	4,694,200	$	-	$	4,694,200
Malawi	$	4,056,800	$	419,000	$	4,475,800
Mali	$	1,452,300	$	1,199,700	$	2,652,000
Mauritania	$	1,412,800	$	-	$	1,412,800
Mozambique	$	6,739,400	$	-	$	6,739,400
Nepal	$	611,600	$	74,800	$	686,400
Niger	$	9,321,200	$	10,983,800	$	20,305,000
Pakistan	$	18,895,700	$	-	$	18,895,700
Philippines	$	2,848,300	$	-	$	2,848,300
Republic of Congo	$	660,900	$	683,800	$	1,344,700
Rwanda	$	824,900	$	623,200	$	1,448,100
Sierra Leone	$	2,274,300	$	-	$	2,274,300
Somalia	$	2,558,400	$	2,373,000	$	4,931,400
Sri Lanka	$	3,408,000	$	-	$	3,408,000
Sudan	$	30,912,000	$	5,223,100	$	36,135,100
Tajikistan	$	1,124,200	$	2,231,800	$	3,356,000
Tanzania	$	989,800	$	-	$	989,800
Uganda	$	8,282,100	$	5,385,200	$	13,667,300
Yemen	$	2,949,900	$	33,000	$	2,982,900
Zambia	$	142,100	$	93,000	$	235,100
Zimbabwe	$	6,723,300	$	6,444,700	$	13,168,000
Total	**$**	**317,616,000**	**$**	**161,373,500**	**$**	**478,989,500**

P.L. 480 Title II: External Transportation Costs
FY 2010 - 2014

Fiscal Year 2011						
Country	**Ocean Freight**		**Inland Freight**		**Total**	
Afghanistan	$	10,306,300	$	4,248,000	$	14,554,300
Algeria	$	1,322,300	$	-	$	1,322,300
Bangladesh	$	8,816,900	$	-	$	8,816,900
Burkina Faso	$	1,402,500	$	1,382,200	$	2,784,700
Burundi	$	5,421,100	$	2,427,700	$	7,848,800
Cameroon	$	-	$	357,800	$	357,800
CAR	$	828,000	$	1,143,700	$	1,971,700
Chad	$	11,994,100	$	22,137,100	$	34,131,200
Colombia	$	1,307,400	$	-	$	1,307,400
Cote D'Ivoire	$	687,900	$	655,700	$	1,343,600
Djibouti	$	882,900	$	-	$	882,900
DRC	$	13,311,300	$	6,348,800	$	19,660,100
Ecuador	$	203,900	$	-	$	203,900
Ethiopia	$	55,579,100	$	26,640,900	$	82,220,000
Guatemala	$	3,607,400	$	-	$	3,607,400
Haiti	$	3,555,100	$	-	$	3,555,100
Kenya	$	22,658,900	$	-	$	22,658,900
Laos	$	380,700	$	48,500	$	429,200
Liberia	$	5,100,200	$	-	$	5,100,200
Libya	$	842,200	$	-	$	842,200
Madagascar	$	5,024,100	$	-	$	5,024,100
Malawi	$	4,153,400	$	420,000	$	4,573,400
Mali	$	437,100	$	470,900	$	908,000
Mauritania	$	1,185,300	$	-	$	1,185,300
Mozambique	$	4,924,300	$	-	$	4,924,300
Nepal	$	1,518,600	$	909,700	$	2,428,300
Niger	$	9,813,800	$	7,020,800	$	16,834,600
Pakistan	$	13,490,300	$	-	$	13,490,300
Philippines	$	919,100	$	-	$	919,100
Rwanda	$	856,800	$	790,700	$	1,647,500
Sierra Leone	$	3,092,600	$	-	$	3,092,600
Somalia	$	7,219,200	$	3,315,100	$	10,534,300
South Sudan	$	4,002,000	$	9,811,800	$	13,813,800
Sri Lanka	$	1,837,200	$	-	$	1,837,200
Sudan	$	18,371,800	$	3,420,000	$	21,791,800
Tanzania	$	1,661,400	$	-	$	1,661,400
Uganda	$	4,999,800	$	2,739,800	$	7,739,600
West Bank/Gaza	$	671,000	$	-	$	671,000
Yemen	$	3,751,000	$	-	$	3,751,000
Zimbabwe	$	6,783,100	$	3,536,600	$	10,319,700
Total	**$**	**242,920,100**	**$**	**97,825,800**	**$**	**340,745,900**

P.L. 480 Title II: External Transportation Costs
FY 2010 - 2014

Fiscal Year 2012			
Country	**Ocean Freight**	**Inland Freight**	**Total**
Afghanistan	$ 7,342,500	$ 3,369,600	$ 10,712,100
Algeria	$ 1,585,800	$ -	$ 1,585,800
Bangladesh	$ 10,697,300	$ -	$ 10,697,300
Burkina Faso	$ 5,460,200	$ 2,672,400	$ 8,132,600
Burundi	$ 3,048,300	$ 1,939,000	$ 4,987,300
Cameroon	$ 150,000	$ -	$ 150,000
CAR	$ 1,095,700	$ 1,301,700	$ 2,397,400
Chad	$ 11,096,700	$ 22,012,300	$ 33,109,000
Colombia	$ 430,100	$ -	$ 430,100
Cote D'Ivoire	$ 3,353,000		$ 3,353,000
Djibouti	$ 439,300	$ -	$ 439,300
DRC	$ 14,844,100	$ 4,858,500	$ 19,702,600
Ecuador	$ 84,700	$ -	$ 84,700
Ethiopia	$ 61,154,200	$ 25,839,200	$ 86,993,400
Guatemala	$ 1,648,600	$ -	$ 1,648,600
Haiti	$ 1,814,300	$ -	$ 1,814,300
Kenya	$ 12,838,900	$ -	$ 12,838,900
Liberia	$ 5,215,800	$ -	$ 5,215,800
Madagascar	$ 4,546,100	$ -	$ 4,546,100
Malawi	$ 7,952,800	$ 1,705,200	$ 9,658,000
Mali	$ 4,553,100	$ 2,529,200	$ 7,082,300
Mauritania	$ 1,382,600	$ -	$ 1,382,600
Mozambique	$ 4,674,500	$ -	$ 4,674,500
Nepal	$ 782,600	$ 400,200	$ 1,182,800
Niger	$ 10,089,400	$ 5,895,300	$ 15,984,700
Pakistan	$ 9,511,000	$ -	$ 9,511,000
Rwanda	$ 241,700	$ 297,800	$ 539,500
Senegal	$ 576,000	$ -	$ 576,000
Sierra Leone	$ 3,700,300	$ -	$ 3,700,300
Somalia	$ 13,327,600	$ 5,115,800	$ 18,443,400
South Sudan	$ 15,755,900	$ 23,779,400	$ 39,535,300
Sudan	$ 13,410,000	$ -	$ 13,410,000
Tanzania	$ 1,776,000	$ -	$ 1,776,000
Uganda	$ 4,959,800	$ 2,354,500	$ 7,314,300
West Bank/Gaza	$ 2,603,100	$ -	$ 2,603,100
Yemen	$ 9,829,400	$ -	$ 9,829,400
Zimbabwe	$ 3,024,100	$ 2,554,000	$ 5,578,100
Total	**$ 254,995,500**	**$ 106,624,100**	**$ 361,619,600**

P.L. 480 Title II: External Transportation Costs
FY 2010 - 2014

Fiscal Year 2013						
Country	**Ocean Freight**		**Inland Freight**		**Total**	
Afghanistan	$	4,679,700	$	1,974,700	$	6,654,400
Algeria	$	791,100	$	-	$	791,100
Angola	$	134,500	$	-	$	134,500
Bangladesh	$	8,503,200	$	-	$	8,503,200
Burkina Faso	$	944,400	$	880,800	$	1,825,200
Burundi	$	2,773,500	$	2,513,700	$	5,287,200
CAR	$	812,800	$	1,100,900	$	1,913,700
Chad	$	6,035,000	$	14,591,400	$	20,626,400
Colombia	$	612,900	$	-	$	612,900
Cote D'Ivoire	$	1,044,200	$	-	$	1,044,200
Djibouti	$	568,200	$	-	$	568,200
DRC	$	8,223,700	$	8,291,200	$	16,514,900
Ethiopia	$	28,884,900	$	19,038,000	$	47,922,900
Guatemala	$	2,185,500	$	-	$	2,185,500
Haiti	$	2,502,800	$	35,400	$	2,538,200
Kenya	$	14,506,800	$	-	$	14,506,800
Liberia	$	487,300	$	-	$	487,300
Madagascar	$	758,800	$	-	$	758,800
Malawi	$	5,148,300	$	2,947,800	$	8,096,100
Mali	$	1,515,300	$	1,283,900	$	2,799,200
Mauritania	$	921,000	$	14,600	$	935,600
Nepal	$	265,900	$	139,200	$	405,100
Niger	$	4,786,400	$	3,286,600	$	8,073,000
Pakistan	$	7,956,400	$	-	$	7,956,400
Philippines	$	415,100	$	-	$	415,100
Rwanda	$	999,000	$	926,200	$	1,925,200
Sierra Leone	$	415,500	$	-	$	415,500
Somalia	$	7,465,300	$	5,728,800	$	13,194,100
South Sudan	$	12,103,800	$	27,958,300	$	40,062,100
Sri Lanka	$	163,500	$	-	$	163,500
Sudan	$	15,066,500	$	-	$	15,066,500
Syria	$	3,395,900	$	1,221,200	$	4,617,100
Tanzania	$	933,400	$	-	$	933,400
Uganda	$	1,519,900	$	1,670,900	$	3,190,800
Yemen	$	5,107,600	$	-	$	5,107,600
Zimbabwe	$	1,584,500	$	1,948,500	$	3,533,000
Total	**$**	**154,212,600**	**$**	**95,552,100**	**$**	**249,764,700**

P.L. 480 Title II: External Transportation Costs
FY 2010 - 2014

Fiscal Year 2014						
Country	**Ocean Freight**		**Inland Freight**		**Total**	
Afghanistan	$	5,538,100	$	2,786,000	$	8,324,100
Algeria	$	614,700	$	-	$	614,700
Bangladesh	$	6,878,000	$	-	$	6,878,000
Burkina Faso	$	1,034,200	$	829,000	$	1,863,200
Burundi	$	1,462,100	$	856,300	$	2,318,400
Cameroon	$	537,700	$	-	$	537,700
CAR	$	1,990,400	$	2,067,000	$	4,057,400
Chad	$	6,485,000	$	10,429,200	$	16,914,200
Colombia	$	648,900	$	-	$	648,900
Cote D'Ivoire	$	617,600	$	-	$	617,600
Djibouti	$	548,100	$	-	$	548,100
DRC	$	8,831,300	$	10,741,500	$	19,572,800
Ethiopia	$	32,401,000	$	17,074,200	$	49,475,200
Guatemala	$	950,100	$	-	$	950,100
Haiti	$	423,800	$	29,200	$	453,000
Kenya	$	13,548,700	$	-	$	13,548,700
Liberia	$	413,400	$	-	$	413,400
Malawi	$	133,800	$	155,700	$	289,500
Mali	$	2,426,300	$	1,472,300	$	3,898,600
Mauritania	$	829,800	$	31,200	$	861,000
Niger	$	4,253,300	$	3,534,500	$	7,787,800
Pakistan	$	6,268,300	$	-	$	6,268,300
Philippines	$	1,148,300	$	-	$	1,148,300
Senegal	$	282,900	$	-	$	282,900
Sierra Leone	$	236,700	$	-	$	236,700
Somalia	$	9,147,700	$	6,804,100	$	15,951,800
South Sudan	$	14,510,000	$	28,267,600	$	42,777,600
Sudan	$	7,753,900	$	-	$	7,753,900
Tanzania	$	566,500	$	-	$	566,500
Uganda	$	2,301,300	$	2,580,600	$	4,881,900
West Bank/Gaza	$	1,370,000	$	-	$	1,370,000
Yemen	$	8,084,600	$	-	$	8,084,600
Zimbabwe	$	1,688,400	$	1,530,500	$	3,218,900
Regional- Ebola		1,659,800	$	-	$	1,659,800
Total	**$**	**145,584,700**	**$**	**89,188,900**	**$**	**234,773,600**

Mr. Aderholt: Please provide the administrative costs for the Title II program for each fiscal year 2010-2014. Please provide separate amounts for USDA and USAID.

Response: The information is submitted for the record.

[The information follows:]

P.L 480 Title II:
Administrative Costs
FY 2010 – FY 2014

FY	Metric Tons	202e (Administrative Costs)
2010	2,152,940	$ 210,467,300
2011	1,461,660	$ 180,750,200
2012	1,426,520	$ 169,901,100
2013	1,107,940	$ 184,218,600
2014 (as of 10/27)	1,079,591	$ 282,222,000

Mr. Aderholt: Please provide a table showing a breakdown of Title II expenditures for each fiscal year 2010-2014 divided into commodity costs; ocean freight; inland transportation; 202 (e) costs; and administrative costs. Please include the percentage of funds spent on each.

Response: The information is submitted for the record.

[The information follows:]

P.L. Title II: Expenditures

_FY 2010 - 2014_

FY	Metric Tons	Commodity Value	Ocean Freight	Inland Freight	ITSH	202(e)	Total
2010	2,152,940	$ 750,542,000	$ 317,616,000	$ 161,373,500	$ 481,444,400	$ 210,467,300	$ 1,921,443,200
2011	1,461,660	$ 746,056,300	$ 242,920,100	$ 97,825,800	$ 383,262,700	$ 180,750,200	$ 1,650,815,100
2012	1,426,520	$ 664,918,000	$ 254,995,500	$ 106,624,100	$ 405,165,600	$ 169,901,100	$ 1,601,604,300
2013	1,107,940	$ 536,901,200	$ 154,212,600	$ 95,552,100	$ 372,433,700	$ 184,218,600	$ 1,343,318,200
2014 (as of 10/27))	1,079,591	$ 405,486,400	$ 145,584,700	$ 89,188,900	$ 481,125,352	$ 282,222,000	$ 1,403,607,352

FY	Metric Tons	Commodity Value	Ocean Freight	Inland Freight	ITSH	202(e)	Total
2010	2,152,940	39.0%	16.5%	8.4%	25.1%	11.4%	$ 1,923,565,800
2011	1,461,660	45.2%	14.7%	6.0%	23.2%	12.1%	$ 1,651,734,100
2012	1,426,520	41.5%	15.9%	6.7%	25.3%	11.6%	$ 1,601,644,200
2013	1,107,940	39.9%	11.5%	7.1%	27.8%	13.6%	$ 1,345,101,800
2014 (as of 10/27))	1,079,591	30.3%	10.9%	6.7%	36.0%	21.1%	$ 1,336,737,600

/Note: Expenditures include funds appropriated in current and prior years.

Mr. Aderholt: Please provide a table for the Title II program funds from the "safebox" showing each recipient organization, the total amount of funds received, and the countries of implementation for each recipient organization for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II: Non-Emergency Food Aid Funding
FY 2010 – 2014

Fiscal Year 2010

Organization	Funds Received	Countries
ACDI/VOCA	$ 39,552,500	Liberia, Sierra Leone, Uganda, Bangladesh, Haiti
Adventist Development and Relief Agency (ADRA)	$ 39,327,000	DRC, Mozambique, Sudan
Africare	$ 12,164,100	Chad, Mali, Niger
CARE International	$ 36,072,000	Ethiopia, Bangladesh
Catholic Relief Services (CRS)	$ 112,818,700	Burkina Faso, Burundi, Ethiopia, Madagascar, Malawi, Mali, Niger, Zambia, India, Guatemala Haiti
Counterpart International (CPI)	$ 8,754,200	Mauritania, Niger
Food for the Hungry International (FHI)	$ 20,653,400	DRC, Ethiopia, Mozambique
Mercy Corps International (MCI)	$ 23,418,500	DRC, Uganda, Guatemala
OICI International	$ 6,572,800	Liberia
Relief Society of Tigray (REST)	$ 3,239,400	Ethiopia
Save the Children Federation (SCF)	$ 22,042,200	Mozambique, Bangladesh, Guatemala
Save the Children UK (SCF-UK)	$ 19,159,100	Ethiopia
SHARE Guatemala	$ 5,034,400	Guatemala
World Vision US (WVUS)	$ 36,160,300	Mozambique, Afghanistan, Haiti
Total	$ 384,968,600	

Fiscal Year 2011

Organization	Funds Received	Countries
ACDI/VOCA	$ 56,932,800	Burkina Faso, Liberia, Sierra Leone, Uganda, Bangladesh, Haiti
Adventist Development and Relief Agency (ADRA)	$ 14,359,800	DRC, Mozambique
Africare	$ 13,418,100	Chad, Mali, Niger
CARE International	$ 23,715,400	Bangladesh
Catholic Relief Services (CRS)	$ 137,979,400	Burkina Faso, Burundi, Ethiopia, Madagascar, Malawi, Mali, Niger, South Sudan, Zambia, India, Guatemala, Haiti
Counterpart International (CPI)	$ 8,185,600	Mauritania, Niger
Food for the Hungry International (FHI)	$ 45,732,400	DRC, Ethiopia, Mozambique
Mercy Corps International (MCI)	$ 22,332,200	DRC, Uganda, Guatemala
OICI International	$ 7,302,400	Liberia
Relief Society of Tigray (REST)	$ 47,138,300	Ethiopia
Save the Children Federation (SCF)	$ 21,825,200	Mozambique, Bangladesh, Guatemala
SHARE Guatemala	$ 5,745,900	Guatemala
World Vision US (WVUS)	$ 21,610,400	Mozambique, Afghanistan, Haiti
Total	$ 426,277,900	

Fiscal Year 2012		
Organization	**Funds Received**	**Countries**
ACDI/VOCA	$ 41,959,000	Bangladesh, Uganda, Haiti, Burkina Faso, Liberia, Sierra Leone
Adventist Development and Relief Agency (ADRA)	$ 18,383,000	DRC, Mozambique
Africare	$ 11,183,000	Chad, Mali
CARE International	$ 22,640,000	Bangladesh
Catholic Relief Services (CRS)	$ 116,368,000	Burundi, Madagascar, Malawi, Ethiopia, South Sudan, Guatemala, Haiti, Burkina Faso, Mali, Niger
Counterpart International (CPI)	$ 11,449,000	Mauritania, Niger
Food for the Hungry International (FHI)	$ 41,390,000	DRC, Mozambique, Ethiopia
Mercy Corps International (MCI)	$ 36,100,000	DRC, Uganda, Guatemala, Niger
OICI International	$ 7,944,000	Liberia
Relief Society of Tigray (REST)	$ 50,104,000	Ethiopia
Save the Children Federation (SCF)	$ 55,103,000	Bangladesh, Mozambique, Ethiopia, Guatemala, Niger
World Vision US (WVUS)	$ 11,585,000	Afghanistan, Mozambique, Haiti
Total	$ 424,208,000	
Fiscal Year 2013		
Organization	**Funds Received**	**Countries**
ACDI/VOCA	$ 29,351,000	Bangladesh, Uganda, Burkina Faso, Liberia, Sierra Leone
Adventist Development and Relief Agency (ADRA)	$ 9,123,000	DRC
Africare	$ 1,014,000	Chad
CARE International	$ 30,296,000	Bangladesh, Haiti
Catholic Relief Services (CRS)	$ 78,811,000	Burundi, Madagascar, Malawi, Ethiopia, South Sudan, Guatemala, Burkina Faso, Niger
Counterpart International (CPI)	$ 61,000	Niger
CNFA	$ 6,886,000	Zimbabwe
Food for the Hungry International (FHI)	$ 33,216,000	DRC, Ethiopia
Mercy Corps International (MCI)	$ 22,449,000	DRC, Uganda, Guatemala, Niger
OICI International	$ 5,391,000	Liberia
Relief Society of Tigray (REST)	$ 40,400,000	Ethiopia
Save the Children Federation (SCF)	$ 30,829,000	Bangladesh, Ethiopia, Guatemala, Niger
World Vision US (WVUS)	$ 12,045,000	Zimbabwe, Haiti
Total	$ 299,872,000	

Fiscal Year 2014 (through August)		
Organization	**Funds Received**	**Countries**
ACDI/VOCA	$ 33,748,000	Bangladesh, Uganda, Haiti, Burkina Faso, Liberia, Sierra Leone
Adventist Development and Relief Agency (ADRA)	$ 8,696,000	DRC
Africare	$ -	Chad, Mali
CARE International	$ 20,402,000	Bangladesh, Haiti
Catholic Relief Services (CRS)	$ 20,779,000	Madagascar, South Sudan, Ethiopia, Haiti, Guatemala, Burkina Faso, Mali, Niger
Counterpart International (CPI)	$ -	Mauritania, Niger
CNFA	$ 7,630,000	Zimbabwe
Food for the Hungry International (FHI)	$ 35,668,000	DRC, Ethiopia
Mercy Corps International (MCI)	$ 16,345,000	DRC, Uganda, Guatemala, Niger
OICI International	$ 5,470,000	Liberia
Relief Society of Tigray (REST)	$ 39,345,000	Ethiopia
Save the Children Federation (SCF)	$ 29,319,000	Bangladesh, Ethiopia, Guatemala, Niger
Total	$ 217,402,000	

Mr. Aderholt: Please provide a table for the Title II program funds from the emergency funding ("non-safebox") showing each recipient organization, the total amount of funds received, and the countries of implementation for each recipient organization for each fiscal year 2010-2014.

Response: The information is submitted for the record.

[The information follows:]

P.L. 480 Title II: Emergency Food Aid Funding
FY 2010 – 2014

Fiscal Year 2010		
Organization	**Funds Received**	**Countries**
World Food Program (WFP)	$ 1,208,775,800	Burundi, Cameroon, CAR, Chad, DRC, Djibouti, Ethiopia, Kenya, Madagascar, Niger, Republic of Congo, Rwanda, Somalia, Sudan, Tanzania, Uganda, Zimbabwe, Afghanistan, Algeria, Laos, Nepal, Pakistan, Philippines, Sri Lanka, Yemen, Colombia, Ecuador, Guatemala, Haiti
ACDI/VOCA	$ 3,184,300	Haiti
CARE International	$ 125,200	Ethiopia
Catholic Relief Services (CRS)	$ 185,388,700	Ethiopia, Niger, Zimbabwe, Guatemala, Haiti
Counterpart International (CPI)	$ 2,851,900	Niger
Norwegian People's Aid (NPA)	$ 5,493,000	Sudan
Relief Society of Tigray (REST)	$ 23,544,600	Ethiopia
Save the Children Federation (SCF)	$ 26,281,400	Ethiopia, Tajikistan, Guatemala
World Vision US (WVUS)	$ 51,148,100	Zimbabwe, Haiti
Fiscal Year 2011		
Organization	**Funds Received**	**Countries**
World Food Program (WFP)	$ 1,108,717,800	Burundi, Cameroon, CAR, Chad, DRC, Cote D'Ivoire, Djibouti, Ethiopia, Kenya, Liberia, Madagascar, Niger, Rwanda, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zimbabwe, Laos, Philippines, Algeria, Libya, West Bank/Gaza, Yemen, Afghanistan, Bangladesh, Nepal, Pakistan, Sri Lanka, Colombia, Ecuador, Haiti
Catholic Relief Services (CRS)	$ 85,940,300	Ethiopia, Zimbabwe, Guatemala
Counterpart International (CPI)	$ 5,486,700	Niger
Project Concern International (PCI)	$ 2,960,100	Guatemala
Relief Society of Tigray (REST)	$ 64,942,500	Ethiopia
Save the Children Federation (SCF)	$ 12,996,600	Ethiopia, Guatemala
World Vision US (WVUS)	$ 6,160,000	Haiti

Fiscal Year 2012		
Organization	**Funds Received**	**Countries**
World Food Program (WFP)	$ 1,065,680,310	Afghanistan, Algeria, Bangladesh, West Bank/Gaza, Nepal, Pakistan, Yemen, Burundi, CAR, DRC, Malawi, Rwanda, Uganda, Zimbabwe, Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Tanzania, Colombia, Ecuador, Burkina Faso, Cameroon, Chad, Cote D'Ivoire, Mali, Mauritania, Niger, Senegal
Catholic Relief Services (CRS)	$ 89,879,700	Zimbabwe, Ethiopia, Mali
International Organization for Migration (IOM)	$ 21,591,900	Somalia
United Nations Children's Fund (UNICEF)	$ 5,912,900	Burundi, Uganda, Kenya, Sudan
Fiscal Year 2013		
Organization	**Funds Received**	**Countries**
World Food Program (WFP)	$ 964,337,040	Afghanistan, Algeria, Nepal, Pakistan, Philippines, Sri Lanka, Syria, Yemen, Burundi, CAR, DRC, Malawi, Rwanda, Uganda, Zimbabwe, Djibouti, Ethiopia, Kenya, South Sudan, Somalia, Sudan, Tanzania, Colombia, Haiti, Burkina Faso, Chad, Cote D'Ivoire, Liberia, Mali, Mauritania, Niger
Catholic Relief Services (CRS)	$ 51,034,500	Ethiopia, Haiti
United Nations Children's Fund (UNICEF)	$ 24,119,500	Afghanistan, Pakistan, Yemen, Angola, Burundi, South Sudan, Somalia
World Vision US (WVUS)	$ 2,811,900	Haiti

Fiscal Year 2014 (through August)		
Organization	**Funds Received**	**Countries**
World Food Program (WFP)	$ 947,265,220	Afghanistan, Algeria, Iraq, Pakistan, Philippines, Syria, West Bank/Gaza, Yemen, Burundi, CAR, DRC, Malawi, Uganda, Zimbabwe, Djibouti, Ethiopia, Kenya, South Sudan, Somalia, Sudan, Colombia, Burkina Faso, Cameroon, Chad, Cote D'Ivoire, Liberia, Mali, Mauritania, Niger, Senegal
ACF International	$ 2,980,600	Haiti
CARE International	$ 4,065,100	Haiti
Catholic Relief Services (CRS)	$ 75,750,900	Ethiopia, South Sudan
Food and Agriculture Organization of the UN (FAO)	$ 1,312,600	Haiti
United Nations Children's Fund (UNICEF)	$ 35,884,800	Afghanistan, Pakistan, Burundi, CAR, DRC, Kenya, Somalia, Sudan, Haiti, Chad
World Vision International (WVI)	$ 2,229,700	Haiti

Title II Prepositioning Sites

Mr. Aderholt: Please provide a list of all prepositioning sites for food aid under the Title II program.

Response: The information is submitted for the record.

[The information follows:]

As of August 2014, USAID's Office of Food for Peace (USAID/FFP) has prepositioning sites for food aid in:

- Jacinto, Texas, United States;
- Las Palmas, Canary Islands;
- Durban, South Africa;
- Mombasa, Kenya;
- Djibouti, Djibouti; and
- Colombo, Sri Lanka.

Additionally, USAID/FFP co-locates with the U.S. Office of Foreign Disaster Assistance (USAID/OFDA) at two prepositioning sties in:

- Miami, Florida, United States; and
- Dubai, United Arab Emirates.

Local and Regional Purchases (LRP)

Mr. Aderholt: Please provide the legislative authority for the LRP program in the 2008 Farm Bill and the 2014 Farm Bill.

Response: The legislative authority for the LRP pilot program was provided in Section 3206 of the Food, Conservation, and Energy Act of 2008, Public Law 110-234 (7 U.S.C 1726c) and was amended by Section 3207 of the Agricultural Act of 2014 (Public Law 113-79), which made the program permanent.

Mr. Aderholt: In order for USDA/USAID to carry out the LRP program, please describe how the program should be funded in terms of legislative language. Can LRP be funded out of the FAS S&E account or must it be funded out of the Title II account?

Response: USDA appreciates the authority for the LRP, which will help respond to crises and disasters as well as complement McGovern-Dole school feeding programs. The Administration has reviewed several programmatic funding options for this new program LRP, administered by USDA; however, currently the FAS S&E account does not have sufficient resources to support this newly authorized program.

USDA is beginning the rulemaking process to allow for the future operation of the program. USDA recently convened two listening sessions with stakeholders to provide early input into the future operation of the program. USDA will consult with USAID during the rulemaking process and during future operations of the program to ensure that the agencies' local and regional procurement programs are complementary and employ best management practices. The divisions

in USDA and USAID that administer food aid programs have a strong working relationship, which will enable effective coordination on local and regional procurement programs.

FY 2014 Outlays

Mr. Aderholt: The Title II program has yet to outlay most of the funds it received for FY 2013 and a large portion of the FY 2012 funds. Please describe the normal process used to obligate and outlay rates for Title II funds. Please explain why the FY 2013 funds are not yet outlaid.

Response: As of August 2014, USAID/FFP has outlaid all funds it received for both FY 2012 and FY 2013.

Community Development Resilience Fund (CDRF)

Mr. Aderholt: Please provide the legal rationale and legislative authority that allows Title II funds to be credited to the CDRF under USAID.

Response: USAID/Food for Peace does not credit Title II funds to any Community Development Resilience Fund (CDRF), which was a mechanism proposed in the FY14 budget request but never established.

However Food for Peace does integrate Community Development Funds (CDF) into its Title II non-emergency/development programs. As a result of extreme emergency needs and insufficient funds to meet these needs, USAID/FFP has on occasion needed to not withstand the earmark for Title II non-emergency/development funding in order to have adequate resources to respond in times of crisis. However, due to the high value USAID and FFP place on the Title II non-emergency/development programs, the Administration has allowed USAID/FFP to use Community Development Funds (CDF) from the Bureau for Food Security to partially fund these programs and make sure that the earmark for non-emergency programming is met.

Mr. Aderholt: Please provide a five-year table showing amounts credited to the CDRF.

Response: The information is submitted for the record.

[The information follows:]

FY	FFP Community Development Funds
2010	$ 9,000,000
2011	$ 12,000,000
2012	$ 32,300,000
2013	$ 60,000,000
2014	$ 54,000,000

Brazil Cotton Institute (BCI)

Mr. Aderholt: Please provide the legislative authority for payments to BCI in both the 2008 Farm Bill and the 2014 Farm Bill.

Response: The legislative authority for these payments does not arise from either the 2008 or 2014 Farm Bill. The authority for such payments is Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C 714c(f)).

Mr. Aderholt: Please provide any background on the BCI payments.

Response: Payments to BCI between FY 2010 and FY 2014 were made pursuant to the U.S.-Brazil Memorandum of Understanding signed in April 2010. The use of funds is governed by the MOU. In October 2014, USDA made a one-time final payment of $300 million to the BCI in accordance with the 2014 Memorandum of Understanding signed on October 1.

The Cotton dispute is a decade-long dispute brought by Brazil against the United States at the WTO. In 2005 and again in 2008, the WTO found that certain U.S. agriculture programs (domestic support to cotton under the marketing loan and countercyclical payment programs, and export credit guarantees under the GSM-102 program) were inconsistent with the United States' WTO commitments. In August 2009, WTO arbitrators provided the level of countermeasures that Brazil could impose against U.S. trade.

In June 2010, the United States and Brazil signed a Framework Agreement to avert the imposition of countermeasures by Brazil against the United States that at the time would have affected approximately $800 million of U.S. trade, including U.S. intellectual property rights. Potential countermeasures available to Brazil were re-calculated annually based on a formula dictated by the WTO. The Framework provided specific interim steps and a process for quarterly discussions on the programs at issue. The United States also made monthly payments to the BCI for technical assistance and capacity building activities for the sector under a related Memorandum of Understanding (MOU). Under that original MOU, the United States paid BCI $505.5 million between FY 2010 and FY 2014.

On October 1, 2014, the United States and Brazil reached an agreement that provided for formal termination of the Cotton case at the WTO Dispute Settlement Body. Under the 2014 MOU, Brazil relinquished all rights to countermeasures against U.S. trade. The 2014 MOU also contains new rules governing the fees and tenor for guarantees under the GSM-102 Program, a final transfer of $300 million to the BCI (made in FY 2015), and limitations on new disputes against U.S. cotton domestic support programs and the GSM-102 program.

Mr. Aderholt: Please describe in detail the process of a payment to BCI. Please begin with the agency of origination, the funding source, and all agencies involved with the payment process to BCI.

Response: Apportionment requests for the use of funds authorized under Section 5 of the Commodity Credit Corporation (CCC) Charter Act are submitted by USDA to the Office of Management and Budget (OMB). No funds can be obligated or disbursed without an apportionment from OMB.

The authority to authorize payments from CCC to BCI under the terms of the MOU was delegated to the Foreign Agricultural Service (FAS) by the Under Secretary for Farm and Foreign

Agricultural Services on June 24, 2010. Payments were made on or before the last business day of each month, pursuant to the terms of the MOU. Written payment requests were made by the Embassy of the Government of Brazil (GOB) to FAS. The GOB provided FAS a list of individuals within the GOB authorized to request payment. With each payment request, the GOB was required to inform the U.S. Government of any changes to the governance of BCI since the last payment request and to reconfirm banking account information.

FAS maintains a list of all individuals, including personnel, involved in the governance of BCI. All individuals are checked nightly against the U.S. Government's System for Awards Management to confirm that they are not suspended or debarred from U.S. government programs, and also against the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) list. Any changes reported by the GOB in its payment requests were checked against these lists manually by FAS prior to authorizing payment.

In addition to reviewing any changes in individuals associated with BCI, FAS reviewed each payment request to verify the amount requested and to confirm that the signatory of the request was authorized by the GOB to request payment. If the payment request is in order, FAS prepared a cover memo indicating that the request for payment had been reviewed and was in conformance with the MOU. The request from the GOB, along with the cover memo signed by FAS requesting the payment be made, was transmitted by e-mail to FSA. FSA staff reviewed all documents and a CCC Certifying Officer reviewed and certified the payment. FSA then sent the funds via wire transfer to the bank account designated in the GOB's payment request.

Mr. Aderholt: Please provide the number of payments and total amount for each fiscal year 2010-2014 to BCI.

Response: The information is submitted for the record.

[The information follows:]

Fiscal Year	Number of Payments	Total Payment Amount
2010	5	$ 71.1 million
2011	12	$ 147.3 million
2012	12	$ 147.3 million
2013	12	$ 139.8 million
2014	0	$ 0
Total	41	$ 505.5 million

Foreign Market Development Program (FMDP)

Mr. Aderholt: Please provide a table for each fiscal year 2010-2014 identifying each participant in the FMDP program, the overseas location of each participant, the total U.S. government contribution and matching contribution, and a breakdown of the total contribution for categories including travel, housing, office expenses, etc. Please provide a total for each fiscal year U.S. government funding and matching contributions.

Response: The FMD program runs from October 1 to September 30 of each year. The Cooperators have six months after their program year ends to file for reimbursement and file contribution reports. FMD participant data for FY 2010 -2013 has been provided. The FY 2014 data for each FMD participants will not be available until approximately early April, 2015. The information is submitted for the record.

[The information follows:]

FMD

Participant and Government Contributions by Program Year

	2010		2011		2012		2013	
	Participant Contributions	**Government Contributions (Reimbursement Expenditures)**	**Participant Contributions**	**Government Contributions (Reimbursement Expenditures)**	**Participant Contributions**	**Government Contributions (Reimbursement Expenditures)**	**Participant Contributions**	**Government Contributions (Reimbursement Expenditures)**
FMD PROGRAM TOTAL	$61,955,997	**$32,088,483**	**$62,684,610**	**$33,774,646**	**$72,941,933**	**$35,419,003**	**$76,886,063**	**$30,041,303**
American Hardwood, Plywood, Softwood, and SFPA								
Compensation & Allowances	$1,540,502	$737,701	$1,032,385	$801,190	$1,019,732	$891,909	$901,072	$886,252
Contractor Fees	$0	$99,030	$0	$288,805	$0	$394,464	$0	$373,659
International Travel	$335,651	$780,600	$650,989	$1,104,923	$258,386	$884,415	$517,150	$824,391
Rent and Supplies	$578,943	$585,119	$158,031	$450,314	$353,816	$518,318	$259,326	$560,997
Sales & Trade Relations	$0	$1,268	$0	$11,588	$0	$1,083	$0	$1,919
Shows	$162,495	$300,217	$164,994	$385,647	$190,210	$623,454	$162,573	$264,800
Technical Assistance	$94,732	$202,719	$86,811	$192,045	$158,323	$183,475	$178,766	$148,930
Trade Promotion	$277,671	$160,414	$383,329	$492,901	$227,859	$335,492	$203,995	$195,361
American Hardwood, Plywood, Softwood, and Southern Forest Product Association - Total by Year	$2,989,994	**$2,867,069**	**$2,476,539**	**$3,727,414**	**$2,208,325**	**$3,832,609**	**$2,222,884**	**$3,256,308**
American Peanut Council								
Compensation & Allowances	$224,726	$228,321	$312,850	$235,653	$239,072	$283,954	$255,377	$229,793
Consumer Promotion	$262,462	$3,914	$334,929	$1,979	$370,041	$1,713	$416,794	$1,242
Contractor Payments	$119,066	$317,838	$150,676	$308,962	$89,313	$292,636	$5,929	$298,985
International Travel	$93,830	$22,564	$112,545	$17,096	$175,953	$23,193	$254,987	$16,059
Rent and Supplies	$939,426	$88,829	$417,631	$84,695	$493,411	$80,639	$490,358	$109,390
Sales & Trade Relations	$582	$66	$617	$0	$1,846	$0	$849	$0
Shows	$0	$5,389	$6,250	$0	$0	$0	$0	$0
Technical Assistance	$426,880	$0	$280,156	$0	$399,649	$0	$772,307	$0
Trade Promotion	$267,760	$0	$312,438	$0	$399,140	$0	$496,148	$0
American Peanut Council - Total by Year	$2,334,732	**$666,921**	**$1,928,092**	**$648,386**	**$2,168,425**	**$682,134**	**$2,692,749**	**$655,469**
American Seed Trade Association								
Compensation & Allowances	$328,569	$0	$2,273,084	$0	$2,312,571	$0	$443,306	$0
Contractor Payments	$42,551	$15,302	$19,438	$2,550	$17,228	$8,770	$62,411	$40,656

International Travel	$492,452	$195,964	$583,776	$211,954	$288,588	$154,633	$80,562	$171,631
Rent and Supplies	$127,002	$0	$60,798	$0	$3,761	$0	$120,391	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$0	$8,348,147	$0
Technical Assistance	$0	$0	$0	$0	$0	$28,061	$0	$0
Trade Promotion	$2,106,574	$0	$78,742	$9,426	$90,624	$0	$91,355	$0
American Seed Trade Association - Total by Year	$3,097,148	**$211,267**	**$3,015,838**	**$223,930**	**$2,712,772**	**$191,464**	**$9,146,171**	**$212,286**
American Sheep Industry Association								
Compensation & Allowances	$165,207	$8,608	$175,704	$0	$3,177	$0	$108,178	$0
Contractor Payments	$0	$16,486	$0	$56,126	$0	$49,689	$5,711	$35,915
International Travel	$0	$141,895	$0	$104,436	$110,462	$109,754	$48,225	$117,301
Rent and Supplies	$30,202	$0	$32,808	$0	$0	$0	$107,270	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$0	$93,976	$0
Shows	$0	$5,944	$0	$5,479	$28,445	$6,175	$27,464	$0
Technical Assistance	$263,391	$0	$269,940	$0	$0	$0	$24,600	$0
Trade Promotion	$71,856	$0	$71,888	$2,421	$0	$728	$0	$0
American Sheep Industry Association - Total by Year	$530,655	**$172,932**	**$550,340**	**$168,463**	**$142,084**	**$166,347**	**$415,424**	**$153,216**
American Soybean Association								
Compensation & Allowances	$1,913,545	$2,221,700	$2,445,125	$205,995	$3,464,319	$367,042	$3,295,620	$490,575
Consumer Promotion	$0	$0	$0	$0	$0	$0	$0	$23,750
Contractor Payments	$4,550,479	$1,853,297	$3,677,473	$2,794,739	$6,600,430	$2,636,156	$6,698,260	$2,718,144
International Travel	$1,682,234	$814,298	$1,182,556	$1,943,442	$2,671,652	$2,750,765	$4,136,788	$1,732,812
Rent and Supplies	$430,851	$683,221	$863,010	$371,160	$1,215,538	$378,989	$144,786	$795,851
Sales & Trade Relations	$265,720	$156,169	$247,001	$593,687	$941,112	$757,999	$529,472	$674,659
Shows	$0	$0	$0	$0	$0	$0	$0	$3,180
Technical Assistance	$416,274	$0	$346,152	$0	$586,264	$0	$361,795	$0
Trade Promotion	$6,591,742	$0	$7,235,684	$0	$10,104,412	$0	$8,599,337	$0
American Soybean Association - Total by Year	$15,850,846	**$5,728,686**	**$15,997,001**	**$5,909,024**	**$25,583,727**	**$6,890,951**	**$23,766,060**	**$6,438,971**
Almond Board of California								
Contractor Payments	1/	1/	1/	1/	$117,800	$92,541	$205,366	$205,204
International Travel	1/	1/	1/	1/	$4,928	$81,866	$0	$73,122
Trade Promotion	1/	1/	1/	1/	$0	$19,005	$0	$0
Almond Board of California	1/	1/	1/	1/	**$122,728**	**$193,412**	**$205,366**	**$278,326**
Cotton Council International								

Compensation & Allowances	$4,001,689	$513,406	$4,132,171	$408,098	$4,635,464	$452,114	$4,421,690	$148,337
Contractor Payments	$0	$10,000	$0	$0	$0	$0	$0	$0
International Travel	$135,703	$1,277,608	$336,351	$1,518,417	$363,760	$1,714,673	$182,432	$1,523,746
Rent and Supplies	$1,531,540	$302,565	$1,606,650	$231,796	$2,035,794	$232,860	$1,804,327	$100,185
Sales & Trade Relations	$43,342	$21,242	$64,560	$10,959	$70,710	$8,369	$86,312	$3,709
Shows	$0	$19,583	$0	$0	$0	$0	$0	$0
Technical Assistance	$78,903	$2,223,314	$118,913	$2,338,879	$79,226	$2,644,870	$82,928	$2,096,888
Trade Promotion	$65,794	$4,224	$1,623	$74,067	$98,712	$0	$0	$1,338
Cotton Council International Total by Year	$5,856,971	**$4,371,943**	**$6,260,268**	**$4,582,217**	**$7,283,666**	**$5,052,885**	**$6,577,689**	**$3,874,203**
Cranberry Marketing Committee								
Consumer Promotion	1/	1/	1/	1/	$0	$71,157	$0	$0
Contractor Payments	1/	1/	1/	1/	$337,348	$0	$139,577	$0
International Travel	1/	1/	1/	1/	$8,207	$0	$0	$0
Shows	1/	1/	1/	1/	$21,433	$0	$0	$0
Trade Promotion	1/	1/	1/	1/	$5,564	$128,843	$122	$185,550
Cranberry Marketing Committee Total by Year	1/	1/	1/	1/	**$372,552**	**$200,000**	**$139,699**	**$185,550**
Leather Industries of America								
Compensation & Allowances	$0	$0	$60,200	$0	$64,681	$0	$0	$9,790
Contractor Payments	$0	$0	$0	$0	$0	$0	$0	$45,009
International Travel	$406,338	$0	$227,405	$0	$183,715	$17,815	$0	$9,335
Rent and Supplies	$16,090	$0	$8,260	$0	$19,743	$0	$0	$0
Shows	$0	$153,600	$242,565	$161,683	$195,844	$150,679	$0	$133,707
Trade Promotion	$0	$0	$0	$0	$0	$0	$0	$2,420
Leather Industries of America Total by Year	$840,656	**$153,600**	**$538,430**	**$161,683**	**$463,983**	**$168,494**	**$0**	**$200,261**
Mohair Council of America								
Compensation & Allowances	$11,424	$0	$12,477	$0	$9,706	$0	$13,713	$0
Consumer Promotion	$0	$0	$2,938	$0	$0	$0	$0	$0
Contractor Payments	$1,817	$0	$1,815	$0	$2,773	$0	$3,887	$0
International Travel	$6,120	$17,019	$460	$0	$352	$0	$1,489	$17,245
Rent and Supplies	$4,061	$0	$3,441	$0	$5,183	$0	$4,450	$0
Trade Promotion	$0	$0	$0	$0	$7,516	$0	$0	$0
Mohair Council of America Total by Year	$23,422	**$17,019**	**$21,131**	**$0**	**$25,530**	**$0**	**$23,539**	**$17,245**

National Hay Association								
Compensation & Allowances	$0	$3,559	$0	$0	$0	$0	$0	$0
Contractor Payments	$0	$17,918	$0	$8,679	$0	$20,493	$0	$4,037
International Travel	$0	$46,281	$0	$22,609	$0	$44,671	$0	$14,429
Shows	$0	$0	$0	$0	$0	$2,661	$0	$0
Technical Assistance	$0	$0	$0	$0	$0	$2,063	$0	$0
Trade Promotion	$200,643	$0	$87,176	$0	$223,208	$5,055	$0	$2,530
National Hay Association Total by Year	$200,643	**$67,758**	**$87,176**	**$31,288**	**$223,208**	**$74,943**	**$0**	**$20,996**
National Renderers Association								
Compensation & Allowances	$368,466	$414,312	$364,618	$415,347	$335,199	$407,385	$369,789	$467,024
Contractor Payments	$0	$14,046	$0	$23,101	$0	$55,161	$0	$3,281
International Travel	$44,477	$235,831	$9,051	$256,183	$0	$208,565	$6,286	$116,158
Rent and Supplies	$104,338	$181,367	$83,294	$200,692	$113,192	$178,800	$99,378	$184,147
Sales & Trade Relations	$0	$2,609	$0	$4,239	$29,183	$7,905	$0	$3,289
Shows	$0	$5,000	$0	$0	$0	$0	$0	$0
Trade Promotion	$311,150	$47,415	$224,900	$20,836	$161,329	$35,864	$241,415	$23,654
National Renderers Association Total by Year	$828,432	**$900,581**	**$681,863**	**$920,398**	**$638,903**	**$893,679**	**$716,868**	**$797,553**
National Sunflower Association								
Compensation & Allowances	$46,524	$0	$50,334	$0	$36,865	$0	$31,369	$0
Contractor Payments	$88,518	$20,560	$87,772	$25,905	$58,135	$33,780	$43,423	$25,651
International Travel	$7,429	$30,179	$7,855	$47,133	$6,298	$30,942	$7,251	$17,558
Rent and Supplies	$31,210	$0	$28,820	$0	$25,573	$0	$28,200	$0
Sales & Trade Relations	$581	$1,779	$250	$0	$454	$0	$661	$0
Technical Assistance	$860,820	$18,536	$1,050,760	$9,075	$784,767	$3,273	$860,678	$4,769
Trade Promotion	$9,944	$212,291	$17,205	$188,817	$14,263	$207,580	$10,546	$196,714
National Sunflower Association Total by Year	$1,045,026	**$283,345**	**$1,242,998**	**$270,930**	**$926,355**	**$275,574**	**$982,129**	**$244,693**
North American Millers Association								
Compensation & Allowances	$203,410	$0	$174,619	$0	$173,221	$0	$145,272	$0
Contractor Payments	$0	$0	$0	$5,000	$0	$0	$0	$0
International Travel	$30,000	$59,976	$0	$37,147	$51,106	$59,835	$0	$20,520
Rent and Supplies	$35,655	$0	$35,655	$0	$41,015	$0	$50,950	$0
Sales & Trade Relations	$5,335	$0	$4,800	$0	$5,427	$0	$9,811	$0

North American Millers Association Total by Year	$274,400	**$59,976**	**$215,074**	**$42,147**	**$270,769**	**$59,835**	**$206,033**	**$20,520**
U.S. Dairy Export Council								
Compensation & Allowances	$603,023	$0	$561,675	$0	$626,582	$0	$678,161	$0
International Travel	$110,511	$89,862	$120,236	$101,243	$45,803	$83,155	$46,308	$70,674
Rent and Supplies	$277,494	$0	$183,969	$0	$190,939	$0	$223,056	$0
Shows	$0	$3,160	$0	$0	$3,306	$64,436	$0	$21,200
Technical Assistance	$302,019	$526,513	□294,066	$588,953	┐ 495,782	$451,697	$254,740	$312,192
U.S. Dairy Export Council Total by Year	$1,293,046	**$619,535**	**$1,159,947**	**$690,196**	**$1,362,411**	**$599,288**	**$1,202,265**	**$404,066**
U.S. Dry Bean Council								
Compensation & Allowances	$6,500	$0	$12,000	$0	$13,639	$0	$18,090	$0
Consumer Promotion	$4,000	$0	$15,000	$0	$40,531	$0	$53,757	$0
Contractor Payments	$2,000	$53,564	$4,800	$45,000	$7,351	$63,676	$9,923	$45,000
International Travel	$5,625	$70,831	$25,625	$71,637	$24,357	$60,827	$5,741	$64,987
Rent and Supplies	$4,850	$0	$37,687	$0	$5,655	$0	$7,501	$0
Sales & Trade Relations	$0	$0	$0	$1,442	$0	$0	$0	$0
Shows	$0	$713	$0	$14,388	$0	$0	$0	$6,586
Technical Assistance	$45,550	$0	$53,481	$0	$53,229	$0	$64,850	$3,100
Trade Promotion	$38,750	$587	$250	$9,267	$0	$8,594	$0	$0
U.S. Dry Bean Council Total by Year	$107,275	**$125,695**	**$148,843**	**$141,734**	**$144,762**	**$133,097**	61	**$119,673**
U.S. Grains Council								
Compensation & Allowances	$3,359,520	$2,799,503	$2,944,875	$2,932,739	$3,218,344	$3,021,397	$2,798,053	$2,685,499
International Travel	$1,569,428	$1,371,761	$1,966,912	$1,337,870	$1,741,950	$984,855	$933,122	$367,917
Rent and Supplies	$669,622	$198,473	$623,742	$243,352	$1,469,625	$141,715	$1,041,308	$111,747
Sales & Trade Relations	$33,228	$6,628	$97,135	$4,029	$25,512	$4,769	$23,665	$3,295
Technical Assistance	$441,819	$309,655	$1,424,956	$402,285	$998,857	$147,515	$1,458,381	$67,858
U.S. Grains Council Total by Year	$6,073,616	**$4,686,020**	**$7,057,620**	**$4,920,274**	**$7,454,289**	**$4,300,252**	**$6,254,529**	**$3,236,316**
U.S. Hide, Skin and Leather Association								
Compensation & Allowances	$116,505	$5,014	$162,265	$3,695	$167,453	$0	$0	$0
Contractor Payments	$239,552	$0	$206,660	$0	$209,887	$54,390	$154,716	$44,978
International Travel	$276,535	$24,912	$217,906	$14,836	$310,751	$18,286	$335,649	$14,661
Rent and Supplies	$6,813	$12,475	$7,920	$18,676	$2,451	$18,631	$0	$6,591
Shows	$123,400	$56,564	$119,300	$66,388	$143,221	$28,683	$123,185	$53,832

Trade Promotion	$0	$0	$0	$0	$0	$0	$11,972	$14,659
U.S. Hide, Skin and Leather Association Total by Year	$762,804	**$98,965**	**$714,051**	**$103,594**	**$833,762**	**$119,990**	**$625,521**	**$134,720**
U.S. Livestock Genetics Export, Inc.								
Contractor Payments	$248,439	$107,623	$241,576	$96,456	$232,867	$82,858	$197,306	$66,919
International Travel	$792,065	$367,068	$911,130	$400,618	$878,283	$408,101	$887,462	$300,921
Sales & Trade Relations	$2,226	$1,037	$1,657	$753	$1,597	$1,415	$8,825	$3,000
Shows	$199,760	$91,171	$236,606	$102,157	$228,076	$106,449	$270,734	$94,308
Technical Assistance	$137,576	$62,758	$87,650	$37,991	$84,490	$80,130	$223,947	$75,947
Trade Promotion	$104,036	$47,463	$178,283	$77,581	$171,855	$21,879	$76,758	$23,529
U.S. Livestock Genetics Export, Inc. Total by Year	$1,484,102	**$677,119**	**$1,656,902**	**$715,556**	**$1,597,168**	**$700,832**	**$1,665,031**	**$564,625**
U.S. Meat Export Federation								
Compensation & Allowances	$1,502,872	$1,239,178	$1,361,388	$1,344,956	$1,407,635	$1,400,192	$1,315,962	$1,308,979
Contractor Payments	$60,569	$50,003	$51,725	$51,339	$3,717	$3,701	$0	$0
International Travel	$12,437	$10,267	$12,848	$9,135	$13,338	$13,281	$617	$615
Rent and Supplies	$443,194	$365,412	$374,040	$369,525	$137,310	$135,832	$57,627	$64,578
Technical Assistance	$35,438	$44,561	$0	$0	$0	$0	$0	$0
U.S. Meat Export Federation Total by Year	$2,054,511	**$1,709,421**	**$1,800,000**	**$1,774,955**	**$1,562,000**	**$1,553,007**	**$1,374,207**	**$1,374,172**
U.S. Wheat Associates								
Compensation & Allowances	$2,557,011	$4,020,071	$2,639,516	$3,101,018	$2,539,414	$4,739,051	$2,767,065	$3,316,896
Consumer Promotion	$0	$0	$891,325	$0	$0	$0	$0	$0
Contractor Payments	$0	$0	$0	$35,135	$0	$92	â0	$2,312
International Travel	$294,629	$588,150	$326,248	$538,050	$355,189	$931,775	$465,883	$1,064,003
Rent and Supplies	$946,563	$225,700	$898,480	$69,810	$862,305	$81,310	$1,112,147	$216,995
Sales & Trade Relations	$41,112	$34,653	$40,569	$5,961	$36,419	$12,226	$62,788	$12,235
Technical Assistance	$3,096,542	$597,812	$3,839,495	$1,615,825	$3,389,297	$279,097	$4,022,488	$155,179
Trade Promotion	$967,408	$2,703	$0	$0	$818,304	$0	$1,012,097	$5,456
U.S. Wheat Associates Total by Year	$7,903,265	**$5,469,089**	**$8,635,633**	**$5,365,799**	**$8,000,928**	**$6,043,552**	**$9,442,467**	**$4,773,075**
USA Dry Pea and Lentil Council								
Compensation & Allowances	$139,637	$0	$138,178	$0	$143,375	$0	$142,082	$0
Contractor Payments	$0	$310	$0	$0	$0	$0	$0	$0
International Travel	$47,433	$57,967	$33,756	$36,286	$15,575	$47,815	$35,415	$47,100

Rent and Supplies	$43,174	$0	$43,854	$0	$18,618	$0	$47,067	$0
Sales & Trade Relations	$0	$0	$0	$2,197	$0	$0	$0	$0
Shows	$0	$38,201	$0	$31,099	$0	$53,779	$0	$40,347
Technical Assistance	$152,309	$51,505	$169,301	$117,256	$141,921	$84,391	$173,413	$65,166
Trade Promotion	$0	$32,147	$0	$7,505	$0	$4,668	$0	$0
USA Dry Pea and Lentil Council Total by Year	$382,553	**$180,131**	**$385,089**	**$194,343**	**$319,489**	**$190,653**	**$397,977**	**$152,614**
USA Poultry and Egg Export Council								
Compensation & Allowances	$364,909	$1,184,651	$430,885	$1,376,397	$364,693	$1,034,807	$374,258	$1,088,679
International Travel	$0	$6,400	$0	$0	$0	$0	$0	$0
Rent and Supplies	$779,699	$324,197	$411,590	$220,957	$392,991	$346,195	$243,246	$246,860
Technical Assistance	$174,108	$0	$80,831	$0	$94,145	$0	$141,913	$0
Trade Promotion	$856,670	$6,703	$1,032,512	$0	$673,095	$0	$692,084	$0
USA Poultry and Egg Export Council Total by Year	$2,175,386	**$1,521,951**	**$1,955,818**	**$1,597,354**	**□1,524,924**	**$1,381,002**	**$1,451,501**	**$1,335,539**

1/Cooperator's first year of FMD funding was 2012

FMD
COOPERATOR'S WITH OVERSEAS OFFICES

Participant	Country	City	Fiscal Year
Almond Board	China	Shanghai	FY 2012 -2014
Almond Board	India	New Delhi	FY 2012 -2014
American Peanut Council	United Kingdom	London	FY 2010- 2014
Cotton Council International	China (Mainland)	Shanghai	FY 2010- 2014
Cotton Council International	Hong Kong	Hong Kong	FY 2010- 2014
Cotton Council International	Korea, Republic of	Seoul	FY 2010- 2014
Cotton Council International	United Kingdom	London	FY 2010- 2014
National Renderers Association	Hong Kong	Hong Kong	FY 2010- 2014
National Renderers Association	Mexico	Mexico City	FY 2010- 2014
U.S. Grains Council	China (Mainland)	Beijing	FY 2010- 2014
U.S. Grains Council	Egypt	Cairo	FY 2010- 2014
U.S. Grains Council	Japan	Tokyo	FY 2010- 2014
U.S. Grains Council	Korea, Republic of	Seoul	FY 2010- 2014
U.S. Grains Council	Malaysia	Kuala Lumpur	FY 2010- 2014
U.S. Grains Council	Mexico	Mexico City	FY 2010- 2014
U.S. Grains Council	Panama	Panama City	FY 2010- 2014
U.S. Grains Council	Taiwan	Taipei	FY 2010- 2014
U.S. Grains Council	Tunisia	Tunis	FY 2010- 2014
U.S. Grains Council	Jordan	Amman	FY 2010 -2012
U.S. Meat Export Federation	Belgium	Brussels	FY 2010- 2014
U.S. Meat Export Federation	China	Hong Kong	FY 2010- 2014
U.S. Meat Export Federation	China	Beijing	FY 2010- 2014
U.S. Meat Export Federation	China	Shanghai	FY 2010- 2014
U.S. Meat Export Federation	China	Shenyang	FY 2010- 2013
U.S. Meat Export Federation	Mexico	Mexico City	FY 2010- 2014
U.S. Meat Export Federation	Mexico	Monterey	FY 2010- 2014
U.S. Meat Export Federation	Singapore		FY 2010- 2014
U.S. Meat Export Federation	Russia	Moscow	FY 2010- 2014
U.S. Meat Export Federation	Japan	Tokyo	FY 2010- 2014
U.S. Meat Export Federation	Russia	St. Petersburg	FY 2010- 2014
U.S. Meat Export Federation	Korea, Republic of	Seoul	FY 2010- 2014
U.S. Meat Export Federation	Taiwan	Taipei	FY 2010- 2014
USA Poultry & Egg Export Council	China	Hong Kong	FY 2010- 2014
USA Poultry & Egg Export Council	China	Beijing	FY 2010- 2014
USA Poultry & Egg Export Council	China	Shanghai	FY 2010- 2014
USA Poultry & Egg Export Council	Singapore		FY 2010- 2014
USA Poultry & Egg Export Council	Mexico	Mexico City	FY 2010- 2014
USA Poultry & Egg Export Council	Mexico	Monterey	FY 2010- 2014
USA Poultry & Egg Export Council	Russia	Moscow	FY 2010 -2011
USA Rice Association	Germany	Hamburg	FY 2010 -2011
US Wheat Association	Mexico	Mexico City	FY 2010- 2014
US Wheat Association	Chile	Santiago	FY 2010- 2014
US Wheat Association	Singapore		FY 2010- 2014
US Wheat Association	Philippines	Manila	FY 2010- 2014
US Wheat Association	Japan	Tokyo	FY 2010- 2014
US Wheat Association	Korea, Republic of	Seoul	FY 2010- 2014

FMD
COOPERATOR'S WITH OVERSEAS OFFICES

Participant	Country	City	Fiscal Year
US Wheat Association	Netherlands	Rotterdam	FY 2010- 2014
US Wheat Association	Morocco	Casablanca	FY 2010- 2014
US Wheat Association	China	Beijing	FY 2010- 2014
US Wheat Association	China	Hong Kong	FY 2010- 2014
US Wheat Association	Taiwan	Taipei	FY 2010- 2014
US Wheat Association	South Africa	Capetown	FY 2010- 2014
US Wheat Association	Nigeria	Lagos	FY 2010- 2014
US Wheat Association	Mexico	Mexico City	FY 2010- 2014
US Soybean Export Council**	Mexico	Guadalahara	FY 2010- 2014
US Soybean Export Council**	Singapore		FY 2010- 2014
US Soybean Export Council**	Japan	Tokyo	FY 2010- 2014
US Soybean Export Council**	China	Beijing	FY 2010- 2014
US Soybean Export Council**	Korea, Republic of	Seoul	FY 2010- 2014
US Soybean Export Council**	Taiwan	Taipei	FY 2010- 2014
US Soybean Export Council**	Nigeria	Lagos	FY 2010- 2014
The Wood Groups	Mexico	Mexico City	FY 2010 -2014
The Wood Groups	United Kingdom	London	FY 2010- 2014
The Wood Groups	China	Hong Kong	FY 2010- 2014
The Wood Groups	Japan	Osaka	FY 2010- 2014
The Wood Groups	Japan	Tokyo	FY 2010- 2014
The Wood Groups	Taiwan	Taipei	FY 2010- 2014
The Wood Groups	China	Shanghai	FY 2010- 2014

US Soybean Export Council** Cooperator within the American Soybean Association

Market Access Program (MAP)

Mr. Aderholt: Please provide a table for each fiscal year 2010-2014 identifying each participant in the MAP program, the overseas location of each participant, the total U.S. government contribution and matching contribution, and a breakdown of the total contribution for categories including travel, housing, office expenses, etc. Please provide a total for each fiscal year U.S. government funding and matching contributions.

Response: The MAP begins January 1 and ends on December 31 for most participants. Participants have until June 30th to file for reimbursement, claim expenditures, and file their contribution reports. A portion of MAP participants have a program year that begins July 1 and ends June 30th. These Participants would have six months also (or until December 31, 2016) to file their claims, etc. MAP participant data for FY 2010 -2013 has been provided. FY 2014 data for each MAP participant will not be available until early January 2016. The information is submitted for the record.

[The information follows:]

MAP
Participant and Government Contributions by Program Year

	2010		2011		2012		2013	
	Participant Contributions	Government Contributions (Reimbursement Expenditures)	Participant Contributions	Government Contributions (Reimbursement Expenditures)	Participant Contributions	Government Contributions (Reimbursement Expenditures)	Participant Contributions	Government Contributions (Reimbursement Expenditures)
MAP PROGRAM TOTAL	**$379,716,480**	**$200,895,179**	**$350,497,611**	**$205,349,786**	**$409,347,155**	**$191,610,534**	**$347,718,459**	**$170,635,690**
Alaska Seafood Marketing Institute								
Compensation & Allowances	$1,239,968	$0	$2,438,426	$0	$2,200,837	$0	*1*	$0
Consumer Promotion	$152,995	$852,435	$267,670	$1,120,021	$1,331,576	$868,465	*1*	$256,578
Contractor Payments	$0	$604,859	$0	$870,750	$0	$1,074,000	*1*	$1,064,994
International Travel	$97,800	$5,544	$146,634	$8,811	$921,811	$1,277	*1*	$0
Rent and Supplies	$167,404	$0	$353,117	$0	$1,031,286	$0	*1*	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$0	*1*	$20,571
Shows	$178,180	$431,155	$294,614	$539,530	$1,121,903	$415,980	*1*	$385,373
Technical Assistance	$38,658	$0	$782,832	$0	$1,831,059	$445,578	*1*	$101,182
Trade Promotion	$9,790,079	$2,376,518	$6,887,572	$1,972,784	$2,784,345	$1,342,664	*1*	$302,089
Alaska Seafood Marketing Institute Total by Year	**$11,665,085**	**$4,270,510**	**$11,170,864**	**$4,511,896**	**$11,222,817**	**$4,147,964**	*1*	**$2,130,787**
American Biomass Trade Cooperative								
Compensation & Allowances	*2*	2	$0	$2,696	*2*	*2*	*2*	*2*
Contractor Fees	*2*	2	$0	$80,100	*2*	*2*	*2*	*2*
International Travel	*2*	2	$0	$19,342	*2*	*2*	*2*	*2*
Shows	*2*	2	$0	$3,512	*2*	*2*	*2*	*2*
Trade Promotion	*2*	2	$0	$11,551	*2*	*2*	*2*	*2*
American Biomass Trade Cooperative Total by Year	*2*	2	**$0**	**$117,202**	*2*	*2*	*2*	*2*
American Hardwood, Plywood, Softwood, and SFPA								
Compensation & Allowances	$2,564,469	$677,616	$1,985,416	$724,343	$2,684,780	$727,926	$2,573,379	$725,848
Contractor Payments	$0	$2,002,204	$0	$1,970,684	$5,034	$1,757,823	$0	$1,699,019
International Travel	$649,920	$1,563,325	$523,150	$1,943,945	$757,273	$2,291,589	$883,837	$1,744,653
Rent and Supplies	$656,225	$105,339	$689,216	$112,524	$796,465	$125,966	$525,675	$134,126
Sales & Trade Relations	$0	$112,635	$0	$163,649	$0	$149,767	$0	$173,263
Shows	$643,928	$1,990,830	$759,594	$2,061,453	$328,872	$1,730,475	$245,894	$2,100,763

Technical Assistance	$189,708	$1,125,146	$87,731	$1,187,747	$47,429	$941,384	$287,106	$871,631
Trade Promotion	$233,162	$2,368,232	$475,464	$2,379,553	$653,784	$2,498,464	$576,439	$1,570,217
American Hardwood, Plywood, Softwood, and SFPA Total by Year	**$4,937,414**	**$9,945,326**	**$4,520,572**	**$10,543,899**	**$5,273,637**	**$10,223,395**	**$5,092,331**	**$9,019,521**
American Peanut Council								
Compensation & Allowances	$567,813	$0	$805,729	$0	$582,322	$0	$602,976	$0
Consumer Promotion	$787,386	$684,776	$974,963	$407,922	$1,045,983	$526,375	$1,199,453	$492,680
Contractor Payments	$334,163	$1,545,980	$433,645	$1,467,475	$262,200	$1,303,706	$11,858	$1,335,236
International Travel	$264,542	$216,588	$325,134	$320,647	$527,860	$224,056	$764,725	$206,115
Rent and Supplies	$2,803,589	$0	$1,233,972	$6,612	$1,462,849	$19,715	$1,454,219	$18,729
Sales & Trade Relations	$1,164	$0	$1,233	$204	$3,691	$132	$1,697	$368
Shows	$0	$46,047	$12,500	$23,371	$0	$11,945	$0	$48,374
Technical Assistance	$853,760	$78,194	$560,313	$64,465	$799,299	$74,461	$1,544,614	$34,538
Trade Promotion	$797,981	$0	$929,982	$180,698	$1,188,460	$218,967	$1,444,301	$74,564
American Peanut Council Total by Year	**$6,410,398**	**$2,571,585**	**$5,277,471**	**$2,471,394**	**$5,872,664**	**$2,379,357**	**$7,023,843**	**$2,210,605**
American Pistachio Growers/Cal-Pure Pistachio Inc.								
Compensation & Allowances	$3,263,874	$0	$4,357,714	$0	$4,251,482	$0	$5,365,797	$0
Consumer Promotion	$2,264,020	$374,272	$168,313	$967,129	$260,507	$406,089	$123,076	$466,982
Contractor Payments	$216,116	$457,402	$3,280,808	$0	$4,022,211	$534,277	$2,864,274	$724,964
International Travel	$145,753	$0	$193,737	$0	$75,280	$0	$234,188	$0
Rent and Supplies	$17,453	$0	$24,753	$0	$9,507	$0	$29,055	$0
Shows	$591,589	$0	$408,362	$0	$314,043	$0	$334,077	$9,968
Trade Promotion	$0	$0	$37,136	$0	$0	$0	$34,639	$0
American Pistachio Growers/Cal-Pure Pistachio Inc. Total by Year	**$6,498,804**	**$831,674**	**$8,470,823**	**$967,129**	**$8,933,030**	**$940,367**	**$8,985,106**	**$1,201,914**
American Seed Trade Association								
Compensation & Allowances	$225,443	$0	$1,093,719	$0	$324,882	$0	$309,006	$0
Consumer Promotion	$0	$20,000	$0	$0	$0	$0	$0	$0
Contractor Payments	$43,083	$36,055	$19,438	$63,373	$34,239	$47,955	$31,206	$122,837
International Travel	$200,568	$23,538	$122,252	$38,910	$27,809	$43,353	$17,920	$17,368
Rent and Supplies	$126,135	$0	$66,218	$0	$90,740	$0	$50,564	$0
Sales & Trade Relations	$0	$0	$0	$0	$1,203,124	$0	$6,045,210	$0
Shows	$0	$0	$0	$3,500	$0	$0	$0	$0
Trade Promotion	$2,012,840	$0	$4,123	$0	$9,682	$0	$10,509	$0
American Seed Trade Association Total by	**$2,608,069**	**$79,593**	**$1,305,749**	**$105,783**	**$1,690,476**	**$91,308**	**$6,464,415**	**$140,205**

Year								
American Sheep Industry Association								
Compensation & Allowances	$317,309	$26,983	$325,572	$0	$12,708	$0	$155,672	$0
Contractor Payments	$0	$195,599	$0	$238,722	$6,000	$179,930	$24,847	$221,650
International Travel	$0	$66,472	$0	$52,876	$36,932	$71,948	$62,309	$66,927
Rent and Supplies	$53,650	$0	$60,698	$0	$0	$0	$154,364	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$0	$149,424	$0
Shows	$0	$0	$0	$0	$28,030	$61,130	$0	$0
Technical Assistance	$337,238	$5,125	$354,317	$0	$0	$0	$35,400	$30,478
Trade Promotion	$133,078	$71,754	$140,808	$63,582	$0	$143,804	$0	$131,609
American Sheep Industry Association Total by Year	**$841,275**	**$365,933**	**$881,396**	**$355,180**	**$83,670**	**$456,811**	**$582,016**	**$450,664**
American Soybean Association								
Compensation & Allowances	$1,540,485	$725,840	$2,181,021	$226,881	$841,791	$174,735	$3,051,587	$301,694
Consumer Promotion	$0	$13,503	$0	$66,581	$0	$899	$0	$136,969
Contractor Payments	$2,556,921	$1,868,717	$4,216,362	$2,603,091	$1,670,877	$1,191,113	$5,067,802	$2,376,917
International Travel	$795,305	$554,705	$1,615,606	$858,532	$759,568	$436,475	$3,424,711	$1,007,966
Rent and Supplies	$337,517	$772,700	$999,729	$724,850	$202,444	$325,019	$69,947	$480,474
Sales & Trade Relations	$141,306	$190,077	$506,798	$527,793	$247,302	$78,529	$341,042	$632,657
Shows	$0	$109,334	$0	$53,689	$0	$13,061	$0	$44,816
Technical Assistance	$369,149	$0	$306,965	$0	$216,837	$0	$296,014	$17,700
Trade Promotion	$5,845,507	$47,341	$6,416,550	$103,245	$3,724,950	$0	$7,037,892	$27,851
American Soybean Association Total by Year	**$11,586,190**	**$4,282,217**	**$16,243,033**	**$5,164,662**	**$7,663,768**	**$2,219,830**	**$19,288,996**	**$5,027,044**
Blue Diamond Growers/Almond Board of California								
Compensation & Allowances	$1,203,085	$0	$1,226,728	$0	$2,372,516	$0	$2,343,020	$0
Consumer Promotion	$5,573,832	$2,280,064	$6,465,022	$3,251,366	$17,174,800	$3,408,605	$15,688,161	$4,252,930
Contractor Payments	$2,679,114	$0	$2,900,822	$0	$3,212,926	$620,212	$8,247,433	$431,693
International Travel	$418,863	$47,812	$179,073	$50,054	$641,294	$101,430	$17,550	$52,403
Rent and Supplies	$267,638	$0	$295,427	$0	$464,768	$0	$846,819	$0
Shows	$116,662	$100,546	$228,739	$2,570	$235,026	$7,865	$94,536	$0
Technical Assistance	$2,762,351	$362,286	$1,412,681	$470,923	$2,034,446	$165,057	$3,234,755	$93,654
Trade Promotion	$1,643,202	$0	$597,384	$0	$415,182	$22,109	$2,329,872	$0
Blue Diamond Growers/Almond Board of California Total by Year	**$14,664,747**	**$2,790,708**	**$13,305,876**	**$3,774,913**	**$26,550,958**	**$4,325,278**	**$32,802,146**	**$4,830,680**

Brewers Association, Inc.								
Compensation & Allowances	$46,621	$0	$201,793	$0	$39,681	$0	$41,394	$0
Consumer Promotion	$404,622	$0	$0	$0	$166,854	$0	$190,234	$5,841
Contractor Payments	$135,000	$10,193	$70,000	$19,356	$315,900	$26,174	$288,400	$61,274
International Travel	$0	$3,058	$0	$7,110	$214,300	$14,319	$174,425	$16,701
Rent and Supplies	$10,326	$0	$21,950	$0	$9,585	$119	$9,585	$10,016
Sales & Trade Relations	$0	$0	$0	$3,132	$0	$2,353	$0	$928
Shows	$0	$207,356	$0	$115,493	$8,550	$121,049	$12,712	$157,031
Technical Assistance	$0	$69,173	$0	$130,247	$0	$115,595	$0	$58,168
Trade Promotion	$162,919	$107,775	$337,916	$133,557	$5,750	$128,832	$9,302	$148,053
Brewers Association, Inc. Total by Year	**$759,488**	**$397,555**	**$631,659**	**$408,895**	**$760,620**	**$408,441**	**$726,052**	**$458,013**
California Agricultural Export Council								
Compensation & Allowances	$362,461	$0	$503,789	$0	$938,338	$0	$0	$0
Consumer Promotion	$98,844	$415,565	$338,492	$407,650	$270,735	$267,833	$0	$261,284
Contractor Payments	$6,800	$274,521	$10,000	$242,661	$11,000	$403,608	$0	$178,397
International Travel	$37,500	$71,251	$61,900	$44,121	$64,717	$56,182	$0	$80,109
Rent and Supplies	$301,022	$0	$48,793	$0	$74,382	$0	$0	$0
Sales & Trade Relations	$4,400	$0	$2,000	$2,885	$9,150	$0	$0	$967
Shows	$51,750	$116,440	$157,424	$47,624	$15,000	$21,578	$0	$17,892
Technical Assistance	$10,000	$0	$5,000	$0	$0	$0	$0	$0
Trade Promotion	$6,000	$218,252	$4,463	$303,106	$3,400	$313,886	$0	$376,096
California Agricultural Export Council Total by Year	**$878,778**	**$1,096,030**	**$1,131,861**	**$1,048,047**	**$1,386,722**	**$1,063,087**	**$0**	**$914,745**
California Asparagus Commission								
Compensation & Allowances	$35,519	$0	$34,414	$0	*$0*	0	*$0*	$0
Consumer Promotion	$1,823	$102,814	$5,011	$135,752	*$0*	$126,257	*$0*	$24,949
Contractor Payments	$10,703	$0	$10,695	$0	*$0*	0	*$0*	$0
Rent and Supplies	$5,138	$0	$5,492	$0	*$0*	0	*$0*	$0
Technical Assistance	$0	$0	$0	$0	*$0*	0	*$0*	$2,055
Trade Promotion	$0	$0	$0	$0	*$0*	0	*$0*	$5,977
California Asparagus Commission Total by Year	**$53,182**	**$102,814**	**$55,612**	**$135,752**	**$0**	**$126,257**	**$0**	**$32,981**
California Cherry Marketing Research Board								
Compensation & Allowances	$76,969	$0	$78,927	$0	$200,000	$0	$0	$0
Consumer Promotion	$38,185	$770,399	$38,569	$233,192	$8,102	$269,997	$27,097	$0
Contractor Payments	$369,853	$0	$321,717	$40,090	$185,125	$20,013	$280,302	$21,818

International Travel	$30,032	$0	$6,905	$0	$124,088	$4,530	$35,769	$481
Rent and Supplies	$69,374	$0	$17,985	$0	$14,545	$0	$21,982	$0
Sales & Trade Relations	$318	$0	$0	$0	$0	$0	$0	$0
Technical Assistance	$20,116	$0	$0	$0	$33,493	$24,000	$79,107	$0
Trade Promotion	$34,969	$30,537	$42,886	$186,572	$8,615	$191,788	$5,463	$321,793
California Cherry Marketing Research Board Total by Year	**$639,817**	**$800,936**	**$506,988**	**$459,854**	**$573,968**	**$510,329**	**$449,719**	**$344,091**
California Cling Peach Growers Advisory Board								
Compensation & Allowances	$73,302	$0	$99,869	$0	$8,186	$0	$0	$0
Consumer Promotion	$40,748	$45,204	$33,268	$89,996	$9,427	$207,919	$0	$132,268
Contractor Payments	$71,780	$76,212	$75,391	$87,400	$98,156	$200,993	$0	$89,271
International Travel	$1,984	$0	$6,414	$0	$0	$0	$0	$0
Rent and Supplies	$2,504	$0	$2.541	$0	$8,071	$0	$0	$0
Technical Assistance	$0	$0	$0	$0	$116	$0	$0	$0
Trade Promotion	$942	$299,554	$1,949	$273,604	$20,378	$188,000	$0	$90,346
California Cling Peach Growers Advisory Board Total by Year	**$191,259**	**$420,970**	**$219,433**	**$451,000**	**$144,334**	**$596,912**	**$0**	**$311,885**
California Fresh Tomato Growers/Florida Tomato Committee								
Compensation & Allowances	$246,000	$0	$205,967	$0	$131,704	$0	$0	$0
Consumer Promotion	$0	$254,286	$0	$309,805	$5,131	$143,832	$0	$0
Contractor Payments	$97,621	$203,622	$135,728	$242,611	$191,115	$116,472	$0	$44,887
International Travel	$3,843	$0	$0	$0	$0	$0	$0	$0
Rent and Supplies	$58,814	$0	$52,209	$0	$20,479	$0	$0	$0
Shows	$0	$13,512	$0	$25,149	$2,380	$10,000	$0	$0
Technical Assistance	$0	$0	$0	$1,637	$0	$0	$0	$0
Trade Promotion	$12,066	$157,997	$5,131	$102.433	$2,529	$394,352	$0	$48,351
California Fresh Tomato Growers/Florida Tomato Committee Total by Year	**$418,344**	**$629,417**	**$399,036**	**$681,634**	**$353,338**	**$664,656**	**$0**	**$93,238**
California Grape & Tree Fruit League								
Compensation & Allowances	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	$4,169
Consumer Promotion	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	$113,034
Contractor Fees	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	$70,429
Technical Assistance	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	$84,728
Trade Promotion	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	*2/*	$61,964
California Grape & Tree Fruit League Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$334,324**

by Year								
California Kiwifruit Commission								
Compensation & Allowances	$216,654	$0	$54,664	$0	2/	2/	2/	2/
Consumer Promotion	$86,266	$0	$20,609	$0	2/	2/	2/	2/
Contractor Payments	$57,845	$67,780	$34,222	$59,000	2/	2/	2/	2/
International Travel	$47,700	$33,358	$12,325	$0	2/	2/	2/	2/
Rent and Supplies	$89,550	$0	$22,217	$0	2/	2/	2/	2/
Sales & Trade Relations	$4,033	$0	$1,000	$0	2/	2/	2/	2/
Shows	$36,700	$30,608	$9,175	$0	2/	2/	2/	2/
Technical Assistance	$67,700	$14,089	$16,925	$0	2/	2/	2/	2/
Trade Promotion	$114,380	$151,724	$66,079	$2,363	2/	2/	2/	2/
California Kiwifruit Commission Total by Year	**$720,829**	**$297,558**	**$237,216**	**$61,363**	**$0**	**$0**	**$0**	**$0**
California Pear Advisory Board								
Consumer Promotion	$2,542	$189,027	$3,361	$159,243	$1,170	$287,395	$0	$259,454
Contractor Payments	$249,084	$40,006	$273,547	$148,214	$270,611	$40,006	$0	$32,005
International Travel	$5,495	$0	$5,856	$0	$11,110	$0	$0	$0
Shows	$8,606	$7,545	$5,957	$20,810	$6,485	$30,851	$0	$25
Technical Assistance	$6,375	$27,183	$6,793	$17,605	$4,215	$18,520	$0	$12,654
Trade Promotion	$22,349	$202,325	$9,282	$84,341	$18,370	$88,483	$0	$132,015
California Pear Advisory Board Total by Year	**$294,451**	**$466,087**	**$304,794**	**$430,212**	**$311,962**	**$465,255**	**$0**	**$436,152**
California Prune Board								
Compensation & Allowances	$246,378	$0	$568,767	$0	$221,575	$0	$0	$0
Consumer Promotion	$2,095,389	$2,298,873	$2,101,238	$2,609,241	$2,434,930	$1,723,567	$0	$1,802,869
Contractor Payments	$586,945	$291,468	$848,123	$187,477	$620,217	$69,589	$0	$0
International Travel	$68,510	$0	$101,867	$0	$118,949	$11,325	$0	$0
Rent and Supplies	$47,516	$0	$77,898	$0	$45,314	$0	$0	$0
Sales & Trade Relations	$2,930,905	$0	$2,948,741	$0	$3,909,135	$0	$0	$0
Shows	$15,624	$0	$90,246	$0	$12,654	$0	$0	$0
Technical Assistance	$0	$0	$37,217	$0	$0	$0	$0	$0
Trade Promotion	$3,257,283	$516,372	$3,276,250	$588,989	$4,323,612	$1,269,881	$0	$546,764
California Prune Board Total by Year	**$9,248,550**	**$3,106,714**	**$10,050,347**	**$3,385,707**	**$11,686,386**	**$3,074,362**	**$0**	**$2,349,633**
California Strawberry Commission								
Compensation & Allowances	$461,549	$0	$480,353	$0	2/	2/	2/	2/
Consumer Promotion	$23,232	$768,467	$12,589	$755,877	2/	2/	2/	2/

Contractor Payments	$41,493	$89,000	$41,485	$102,600	2/	2/	2/	2/
Rent and Supplies	$42,735	$0	$43,389	$0	2/	2/	2/	2/
Shows	$3,041	$14,097	$4,800	$5,553	2/	2/	2/	2/
Trade Promotion	$26,135	$31,039	$12,079	$40,984	2/	2/	2/	2/
California Strawberry Commission Total by Year	**$598,184**	**$902,603**	**$594,696**	**$905,013**	**$0**	**$0**	**$0**	**$0**
California Table Grape Commission								
Compensation & Allowances	$697,207	$0	$744,489	$0	$785,954	$0	$835,434	$0
Consumer Promotion	$486,913	$2,371,534	$401,344	$2,261,135	$492,943	$2,415,305	$677,855	$2,163,718
Contractor Fees	$0	$10,292	$0	$0	$0	$18,659	$0	$19,434
International Travel	$195,500	$0	$213,788	$0	$147,021	$0	$126,925	$0
Rent and Supplies	$73,207	$0	$100,191	$0	$76,860	$0	$96,545	$0
Sales & Trade Relations	$472,180	$0	$365,712	$0	$541,210	$0	$230,946	$2,400
Shows	$47,615	$0	$93,237	$0	$61,117	$0	$62,754	$0
Technical Assistance	$1,292,307	$1,462,300	$1,373,810	$1,285,942	$1,954,870	$1,153,612	$1,730,594	$1,156,611
Trade Promotion	$18,979	$0	$12,314	$0	$16,375	$0	$35,972	$0
California Table Grape Commission Total by Year	**$3,283,908**	**$3,844,125**	**$3,304,883**	**$3,547,077**	**$4,076,350**	**$3,587,576**	**$3,797,025**	**$3,342,163**
California Tree Fruit Agreement								
Compensation & Allowances	$853,418	$0	$346,899	$0	2/	2/	2/	2/
Consumer Promotion	$322,220	$2,030,216	$13,860	$190,750	2/	2/	2/	2/
Contractor Fees	$0	$0	$0	$116,775	2/	2/	2/	2/
Contractor Payments	$377,668	$0	$44,800	$0	2/	2/	2/	2/
International Travel	$99,041	$0	$34,693	$10,011	2/	2/	2/	2/
Rent and Supplies	$28,765	$0	$36,550	$0	2/	2/	2/	2/
Sales & Trade Relations	$11,849	$0	$0	$0	2/	2/	2/	2/
Shows	$105,024	$0	$75,746	$1,874	2/	2/	2/	2/
Technical Assistance	$841,676	$475,055	$37,217	$4,481	2/	2/	2/	2/
Trade Promotion	$0	$0	$0	$127,892	2/	2/	2/	2/
California Tree Fruit Agreement Total by Year	**$2,639,660**	**$2,505,271**	**$589,765**	**$451,783**	**$0**	**$0**	**$0**	**$0**
California Walnut Commission								
Compensation & Allowances	$559,605	$0	$657,523	$0	$647,664	$0	$750,117	$0
Consumer Promotion	$2,373,463	$4,597,239	$2,877,962	$4,691,912	$2,882,351	$4,212,792	$3,386,899	$3,935,223
Contractor Payments	$1,083,467	$0	$1,150,867	$0	$1,304,700	$0	$1,746,697	$0
International Travel	$72,312	$0	$82,536	$0	$68,377	$0	$69,972	$0

Rent and Supplies	$96,116	$0	$101,145	$0	$82,583	$0	$104,309	$0
Technical Assistance	$261,311	$0	$301,001	$0	$314,204	$0	$342,086	$0
Trade Promotion	$692,225	$0	$742,899	$0	$588,546	$0	$1,067,492	$0
California Walnut Commission Total by Year	**$5,138,499**	**$4,597,239**	**$5,913,933**	**$4,691,912**	**$5,888,425**	**$4,212,792**	**$7,467,572**	**$3,935,223**
Cherry Marketing Institute								
Compensation & Allowances	$222,933	$0	$255,585	$0	$191,590	$0	$0	$0
Contractor Payments	$38,860	$43,295	$39,306	$21,692	$38,812	$68,827	$0	$80,570
International Travel	$17,822	$0	$22,496	$0	$5,647	$0	$0	$0
Rent and Supplies	$22,222	$0	$21,062	$0	$19,484	$0	$0	$0
Shows	$0	$28,089	$0	$35,206	$0	$0	$0	$13,015
Trade Promotion	$28,283	$185,945	$12,862	$200,412	$10,883	$120,664	$0	$130,482
Cherry Marketing Institute Total by Year	**$330,121**	**$257,329**	**$351,311**	**$257,310**	**$266,414**	**$189,491**	**$0**	**$224,067**
Cotton Council International								
Compensation & Allowances	$9,475,690	$487,939	$0	$527,244	$9,934,621	$777,331	$10,894,341	$380,695
Consumer Promotion	$27,482,637	$0	$0	$594,567	$30,401,419	$20,302	$34,240,317	$0
Contractor Payments	$0	$0	$0	$0	$0	$246,610	$0	$0
International Travel	$451,501	$495,712	$0	$534,141	$633,266	$504,699	$72,734	$546,243
Rent and Supplies	$3,237,546	$378,077	$0	$454,826	$3,552,097	$509,049	$3,902,048	$541,857
Sales & Trade Relations	$93,838	$38,025	$0	$23,136	$109,306	$30,053	$86,919	$15,050
Technical Assistance	$0	$9,199	$0	$7,524	$2,848	$25,732	$13,023	$0
Trade Promotion	$1,698	$18,755,699	$0	$17,691,481	$2,758	$17,158,828	$279,808	$13,227,037
Cotton Council International Total by Year	**$40,742,910**	**$20,164,652**	**$0**	**$19,832,919**	**$44,636,315**	**$19,272,603**	**$49,489,190**	**$14,710,881**
Cranberry Marketing Committee								
Compensation & Allowances	$161,895	$0	$165,050	$0	$0	$1,237	$168,318	$0
Consumer Promotion	$2,052,306	$1,351,176	$2,117,075	$1,274,299	$1,745,862	$934,863	$1,138,021	$1,094,667
Contractor Payments	$253,464	$0	$272,209	$0	$24,264	$0	$164,234	$17,825
International Travel	$27,882	$0	$16,577	$0	$4,298	$0	$12,041	$0
Rent and Supplies	$110,719	$0	$64,783	$0	$0	$0	$72,359	$0
Shows	$27,652	$0	$29,617	$0	$8,368	$0	$0	$0
Technical Assistance	$19,145	$0	$5,098	$0	$0	$0	$7,783	$48,180
Trade Promotion	$101,577	$245,929	$140,284	$483,269	$99,836	$491,186	$283,919	$375,366
Cranberry Marketing Committee Total by Year	**$2,754,640**	**$1,597,105**	**$2,810,693**	**$1,757,568**	**$1,882,628**	**$1,427,286**	**$1,846,674**	**$1,536,037**
Distilled Spirits Council								
Compensation & Allowances	$69,450	$0	$110,573	$0	$141,536	$0	$132,145	$0

Contractor Payments	$0	$104,191	$1,500	$85,000	$88	$90,880	$196	$90,880
International Travel	$25,052	$70,307	$72,946	$107,038	$47,190	$106,920	$38,713	$150,075
Rent and Supplies	$3,548	$216	$16,542	$632	$9,369	$223	$12,049	$23,602
Shows	$0	$5,930	$0	$9,941	$0	$30,757	$0	$0
Technical Assistance	$0	$167	$0	$0	$0	$0	$0	$0
Trade Promotion	$0	$3,792	$42	$5,482	$0	$14,863	$0	$55,480
Distilled Spirits Council Total by Year	**$98,050**	**$184,603**	**$201,602**	**$208,092**	**$198,185**	**$243,643**	**$183,102**	**$275,239**
Florida Department of Citrus								
Compensation & Allowances	$1,744,148	$0	$5,071,355	$0	$4,619,549	$0	$0	$0
Consumer Promotion	$3,290,741	$5,002,354	$2,504,705	$4,681,176	$2,759,975	$4,514,290	$0	$3,378,365
Contractor Payments	$419,392	$0	$397,524	$101,742	$389,912	$0	$0	$0
International Travel	$99,374	$0	$184,709	$0	$177,895	$0	$0	$0
Rent and Supplies	$469,664	$0	$3,022,877	$0	$3,106,307	$0	$0	$0
Sales & Trade Relations	$7,518	$34,213	$73,663	$41,858	$37,371	$51,311	$0	$2,065
Shows	$3,000	$0	$3,000	$0	$3,000	$0	$0	$0
Technical Assistance	$2,500	$0	$3,000	$0	$4,500	$0	$0	$0
Trade Promotion	$64,503	$110,000	$46,741	$179,681	$52,891	$173,460	$0	$137,716
Florida Department of Citrus Total by Year	**$6,100,840**	**$5,146,567**	**$11,307,574**	**$5,004,456**	**$11,151,401**	**$4,739,062**	**$0**	**$3,518,146**
Food Export Association Midwest USA								
Compensation & Allowances	$1,849,691	$500,000	$1,851,719	$723,000	$2,519,787	$720,000	$2,700,657	$602,782
Consumer Promotion	$5,319,438	$0	$3,700,014	$0	$5,074,159	$0	$4,809,174	$0
Contractor Payments	$5,309,540	$1,869,706	$3,915,664	$1,947,138	$5,065,001	$1,737,816	$4,470,925	$1,704,138
Graduation Exemption	$0	$47,531	$0	$45,782	$0	$38,887	$0	$96,327
International Travel	$2,327,790	$788,114	$1,462,731	$679,538	$1,738,441	$560,519	$1,925,124	$639,186
Rent and Supplies	$1,743,877	$513,538	$1,055,537	$407,355	$1,306,288	$357,747	$1,122,045	$314,330
Sales & Trade Relations	$100,997	$35,490	$59,654	$29,664	$96,451	$33,093	$89,375	$31,123
Shows	$5,718,512	$192,480	$4,135,458	$268,699	$5,460,256	$170,694	$5,217,332	$180,943
Technical Assistance	$267,785	$64,369	$239,359	$93,690	$260,748	$68,187	$529,264	$158,068
Trade Promotion	$10,819,595	$7,438,489	$7,609,841	$7,365,994	$10,371,132	$6,963,172	$9,841,247	$6,641,279
Food Export Association Midwest USA Total by Year	**$33,457,225**	**$11,449,717**	**$24,029,977**	**$11,560,859**	**$31,892,263**	**$10,650,114**	**$30,705,143**	**$10,368,175**
Food Export USA Northeast								
Compensation & Allowances	$1,061,556	$113,811	$1,461,549	$713,859	$1,706,799	$605,500	$1,897,560	$745,244
Consumer Promotion	$2,777,032	$0	$2,452,659	$0	$2,969,435	$0	$3,003,301	$0
Contractor Payments	$4,249,257	$1,924,974	$3,113,928	$1,607,010	$3,797,530	$1,546,801	$3,666,416	$1,540,295
Graduation Exemption	$0	$0	$0	$0	$0	$158,018	$0	$287,190

International Travel	$1,354,979	$631,654	$1,404,693	$701,263	$1,526,160	$600,742	$1,196,086	$481,754
Rent and Supplies	$1,008,703	$631,500	$1,085,155	$352,798	$1,380,146	$445,646	$1,124,616	$348,620
Sales & Trade Relations	$83,118	$39,149	$50,931	$26,303	$57,060	$23,271	$101,157	$43,260
Shows	$3,610,330	$608,047	$3,293,936	$617,931	$3,899,882	$528,304	$3,816,436	$431,121
Technical Assistance	$390,864	$157,674	$207,809	$82,603	$365,185	$130,756	$453,924	$170,131
Trade Promotion	$5,935,329	$5,193,158	$5,122,256	$4,995,333	$6,201,911	$4,644,548	$6,392,703	$4,935,620
Food Export USA Northeast Total by Year	**$20,471,168**	**$9,299,967**	**$18,192,916**	**$9,097,100**	**$21,904,108**	**$8,683,586**	**$21,652,199**	**$8,983,236**
Ginseng Board of Wisconsin								
Compensation & Allowances	$122,829	$0	$68,784	$0	$134,227	$0	$108,971	$0
Consumer Promotion	$0	$0	$0	$0	$0	$25,063	$5,933	$33,290
Contractor Payments	$23,608	$165,914	$71,580	$130,225	$45,680	$161,584	$38,039	$160,415
International Travel	$0	$94,713	$17,867	$91,138	$18,105	$89,817	$61,405	$132,184
Rent and Supplies	$38,090	$595	$28,579	$0	$30,001	$0	$16,592	$0
Sales & Trade Relations	$0	$262	$1,117	$0	$6,175	$0	$12,277	$0
Shows	$0	$21,590	$0	$39,081	$0	$36,686	$0	$20,833
Technical Assistance	$0	$0	$8,488	$21,000	$18,619	$6,000	$36,434	$21,000
Trade Promotion	$0	$85,475	$625	$9,738	$3,069	$68,612	$0	$36,569
Ginseng Board of Wisconsin Total by Year	**$184,527**	**$368,548**	**$197,041**	**$291,181**	**$255,876**	**$387,762**	**$279,651**	**$404,291**
Hop Growers of America								
Compensation & Allowances	$17,743	$0	$2,369	$0	$0	$0	$0	$0
Contractor Payments	$79,990	$39,715	$85,245	$3,550	$83,144	$23,190	$106,165	$7,850
International Travel	$3,338	$3,732	$997	$61,294	$5,171	$41,463	$6,898	$48,602
Rent and Supplies	$6,676	$0	$0	$0	$0	$0	$0	$0
Shows	$0	$14,224	$0	$70,812	$3,620	$69,304	$4,021	$102,747
Technical Assistance	$0	$0	$145	$35,860	$774	$31,828	$2,646	$39,034
Trade Promotion	$7,443	$131,590	$6,827	$7,208	$0	$5,254	$0	$18,398
Hop Growers of America Total by Year	**$115,189**	**$189,260**	**$95,583**	**$178,724**	**$92,709**	**$171,039**	**$119,729**	**$216,630**
Intertribal Agriculture Council								
Compensation & Allowances	$22,342	$154,640	$22,342	$149,200	$43,398	$176,748	$63,053	$179,200
Contractor Payments	$0	$122,945	$0	$114,780	$0	$55,049	$0	$83,065
International Travel	$0	$217,144	$0	$288,570	$0	$115,230	$0	$166,844
Rent and Supplies	$0	$24,560	$0	$30,000	$0	$2,094	$0	$0
Shows	$253,498	$236,899	$278,665	$219,305	$373,421	$385,270	$248,068	$249,150
Trade Promotion	$0	$0	$0	$0	$0	$46,396	$0	$0
Intertribal Agriculture Council Total by Year	**$275,839**	**$756,187**	**$301,007**	**$801,855**	**$416,820**	**$780,786**	**$311,121**	**$678,259**

Mohair Council of America								
Compensation & Allowances	$89,674	$0	$89,674	$0	$73,102	$0	$0	$0
Consumer Promotion	$0	$7,300	$16,651	$9,582	$0	$7,700	$0	$2,700
Contractor Payments	$12,387	$0	$12,387	$1,500	$15,525	$1,021	$0	$0
International Travel	$0	$10,334	$0	$27,063	$6,274	$20,760	$0	$66,480
Rent and Supplies	$21,801	$0	$21,801	$0	$24,189	$0	$0	$0
Sales & Trade Relations	$16,651	$0	$0	$0	$0	$0	$0	$0
Shows	$0	$13,568	$0	$25,200	$0	$14,589	$0	$18,699
Technical Assistance	$0	$16,500	$0	$16,500	$0	$18,000	$0	$18,000
Trade Promotion	$0	$3,181	$0	$4,968	$0	$3,300	$0	$4,400
Mohair Council of America Total by Year	**$140,513**	**$50,882**	**$140,513**	**$84,812**	**$119,090**	**$65,370**	**$0**	**$110,279**
National Association of State Department of Agriculture								
Compensation & Allowances	$31,006	$240,000	$46,896	$210,000	$273,307	$180,000	$421,014	$210,000
Contractor Payments	$0	$1,459,800	$0	$1,638,778	$32,933	$1,726,960	$0	$1,467,704
International Travel	$13,030	$9,784	$22,630	$72,710	$49,518	$4,105	$0	$55,848
Rent and Supplies	$0	$60,000	$21,470	$80,000	$90,248	$120,000	$0	$90,000
Sales & Trade Relations	$20,154	$0	$0	$0	$17,114	$0	$0	$0
Shows	$2,964,795	$1,590,387	$2,563,349	$1,772,667	$2,711,864	$1,572,125	$1,610,761	$1,467,373
Trade Promotion	$0	$159,571	$0	$0	$0	$8,784	$0	$0
National Association of State Department of Agriculture Total by Year	**$3,028,985**	**$3,519,542**	**$2,654,345**	**$3,774,155**	**$3,174,984**	**$3,611,975**	**$2,031,775**	**$3,290,924**
National Confectioners Association								
Compensation & Allowances	$1,050,538	$0	$2,110,000	$0	$2,732,500	$0	$3,306,756	$0
Consumer Promotion	$736,300	$0	$1,117,500	$0	$4,505,000	$0	$3,503,000	$0
Contractor Payments	$102,533	$75,200	$82,000	$163,750	$86,000	$194,293	$324,983	$254,646
Graduation Exemption	$0	$0	$0	$0	$0	$32,066	$0	$0
International Travel	$209,698	$0	$883,000	$0	$773,500	$0	$452,683	$15,805
Rent and Supplies	$36,738	$0	$14,000	$0	$141,200	$0	$211,438	$0
Sales & Trade Relations	$43,600	$0	$130,000	$0	$6,000	$0	$1,016,000	$27,925
Shows	$112,900	$519,617	$336,000	$632,440	$349,500	$755,036	$802,763	$679,868
Technical Assistance	$6,500	$0	$0	$0	$10,000	$0	$101,500	$0
Trade Promotion	$505,500	$889,687	$2,030,200	$786,526	$1,052,000	$288,040	$1,150,100	$276,666
National Confectioners Association Total by Year	**$2,804,307**	**$1,484,504**	**$6,702,700**	**$1,582,716**	**$9,655,700**	**$1,269,434**	**$10,869,223**	**$1,254,910**
National Hay Association								

Contractor Payments	$0	$11,047	$5,000	$6,218	$0	$9,343	$0	$2,750
International Travel	$0	$11,993	$20,000	$13,933	$0	$12,408	$0	$36
Sales & Trade Relations	$0	$0	$15,000	$0	$0	$0	$0	$0
Technical Assistance	$0	$0	$8,000	$0	$0	$0	$0	$0
Trade Promotion	$73,086	$419	$7,000	$11,340	$110,232	$0	$0	$0
National Hay Association Total by Year	**$73,086**	**$23,460**	**$55,000**	**$31,492**	**$110,232**	**$21,751**	**$0**	**$2,786**
National Pecan Growers Council								
Compensation & Allowances	$0	$0	$84,731	$0	$154,976	$0	$297,988	$0
Contractor Payments	$0	$0	$71,407	$0	$80,900	$86,866	$96,361	$58,030
International Travel	$0	$0	$9,845	$80,302	$0	$90,638	$21,898	$181,787
Rent and Supplies	$0	$0	$21,711	$0	$35,327	$0	$33,027	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$0	$7,128	$0
Shows	$0	$0	$0	$113,297	$0	$63,714	$73,585	$191,975
Technical Assistance	$0	$0	$0	$6,400	$0	$0	$0	$0
Trade Promotion	$0	$0	$0	$0	$0	$0	$3,024	$95,861
National Pecan Growers Council Total by Year	**$0**	**$0**	**$187,694**	**$199,999**	**$271,202**	**$241,218**	**$533,011**	**$527,653**
National Potato Promotion Board								
Compensation & Allowances	$1,148,428	$0	$1,179,059	$0	$1,166,289	$0	$0	$0
Consumer Promotion	$42,205	$20,971	$20,050	$0	$94,191	$0	$0	$0
Contractor Payments	$1,579,862	$0	$1,883,875	$0	$1,886,014	$0	$0	$0
International Travel	$108,286	$0	$120,965	$0	$247,557	$0	$0	$0
Rent and Supplies	$124,949	$0	$107,887	$0	$142,826	$0	$0	$0
Sales & Trade Relations	$122,333	$0	$430,624	$0	$0	$0	$0	$0
Shows	$17,112	$0	$16,833	$0	$39,534	$0	$0	$0
Technical Assistance	$428,924	$0	$175,769	$0	$172,553	$0	$0	$0
Trade Promotion	$567,244	$5,131,473	$203,277	$4,785,011	$355,804	$4,477,350	$0	$2,864,328
National Potato Promotion Board Total by Year	**$4,139,343**	**$5,152,444**	**$4,138,339**	**$4,785,011**	**$4,104,768**	**$4,477,350**	**$0**	**$2,864,328**
National Renderers Association								
Compensation & Allowances	$213,589	$0	$116,071	$2,383	$103,560	$0	$82,533	$0
Contractor Fees	$0	$317,726	$0	$319,807	$0	$281,292	$0	$290,005
International Travel	$103,779	$324,005	$21,119	$344,383	$0	$330,355	$14,668	$358,450
Rent and Supplies	$94,519	$13,778	$25,161	$9,134	$32,785	$26,569	$38,784	$16,526
Sales & Trade Relations	$0	$5,304	$0	$3,607	$68,093	$9,491	$0	$7,023
Trade Promotion	$473,253	$186,856	$524,766	$155,855	$376,435	$156,130	$563,302	$197,224

National Renderers Association Total by Year	**$885,139**	**$847,668**	**$687,117**	**$835,168**	**$580,872**	**$803,836**	**$699,286**	**$869,228**
National Sunflower Association								
Compensation & Allowances	$557,610	$0	$600,022	$0	$443,643	$0	$495,024	$0
Consumer Promotion	$101,648	$958,419	$189,833	$980,314	$164,396	$988,510	$123,277	$911,509
Contractor Payments	$758,450	$27,554	$652,104	$25,389	$405,878	$22,972	$333,698	$29,914
International Travel	$148,500	$7,010	$195,905	$5,607	$172,463	$5,967	$205,193	$8,955
Rent and Supplies	$240,926	$0	$214,402	$0	$190,864	$0	$218,817	$0
Sales & Trade Relations	$2,420	$0	$2,547	$570	$2,402	$0	$3,013	$0
Trade Promotion	$0	$273,721	$0	$251,621	$0	$149,471	$0	$146,451
National Sunflower Association Total by Year	**$1,809,554**	**$1,266,704**	**$1,854,814**	**$1,263,500**	**$1,379,646**	**$1,166,919**	**$1,379,022**	**$1,096,829**
National Watermelon Promotion Board								
Compensation & Allowances	$70,508	$0	$81,744	$0	$83,282	$0	$0	$0
Consumer Promotion	$5,992	$66,417	$13,600	$58,373	$0	$59,950	$0	$53,317
Contractor Payments	$30,617	$128,252	$58,296	$178,164	$78,311	$181,435	$0	$207,055
International Travel	$8,453	$7,777	$25,117	$0	$27,114	$4,981	$0	$0
Rent and Supplies	$22,195	$0	$19,301	$0	$18,155	$0	$0	$0
Sales & Trade Relations	$0	$0	$0	$0	$0	$21,000	$0	$21,000
Shows	$4,554	$8,650	$8,004	$16,279	$9,164	$2,648	$0	$1,928
Trade Promotion	$0	$0	$0	$0	$8,475	$0	$0	$0
National Watermelon Promotion Board Total by Year	**$142,317**	**$211,097**	**$206,062**	**$252,816**	**$224,501**	**$270,015**	**$0**	**$283,300**
New York Wine and Grape Foundation								
Compensation & Allowances	$86,950	$0	$66,278	$0	$104,822	$0	$43,129	$0
Consumer Promotion	$0	$0	$0	$8,783	$0	$0	$0	$0
Contractor Payments	$0	$0	$0	$2,181	$0	$5,198	$0	$0
International Travel	$0	$53,289	$0	$73,013	$250	$92,610	$5,827	$100,140
Rent and Supplies	$16,790	$0	$19,347	$0	$23,168	$0	$8,633	$0
Shows	$18,641	$205,555	$32,186	$181,785	$26,168	$174,686	$77,963	$172,908
Technical Assistance	$64,604	$47,112	$86,088	$60,151	$0	$60,179	$59,074	$60,756
Trade Promotion	$15,299	$52,690	$16,106	$72,050	$46,927	$61,658	$4,995	$44,553
New York Wine and Grape Foundation Total by Year	**$202,283**	**$358,645**	**$220,004**	**$397,964**	**$201,335**	**$394,331**	**$199,620**	**$378,358**
Northwest Wine Promotion Coalition								
Compensation & Allowances	$550,378	$0	$559,500	$30,973	$661,594	$7,574	$0	$584
Consumer Promotion	$28,400	$462	$37,750	$0	$20,000	$0	$0	$0

Contractor Payments	$201,000	$116,216	$264,134	$293,356	$200,700	$197,102	$0	$186,554
International Travel	$121,926	$137,648	$250,850	$152,098	$186,733	$129,340	$0	$51,002
Rent and Supplies	$121,100	$0	$75,000	$0	$204,303	$0	$0	$0
Sales & Trade Relations	$31,018	$0	$49,200	$13,809	$52,570	$0	$0	$0
Shows	$59,600	$0	$77,550	$153,161	$71,890	$260,189	$0	$182,377
Technical Assistance	$0	$167	$0	$30,000	$300	$0	$0	$0
Trade Promotion	$73,895	$650,905	$104,760	$291,809	$35,700	$304,796	$0	$213,201
Northwest Wine Promotion Coalition Total by Year	**$1,187,317**	**$905,398**	**$1,418,744**	**$965,204**	**$1,433,791**	**$899,002**	**$0**	**$633,718**
Organic Trade Association								
Compensation & Allowances	$42,784	$0	$0	$6,583	$0	$0	$0	$0
Consumer Promotion	$0	$0	$0	$1,518	$0	$0	$0	$0
Contractor Payments	$0	$128,517	$0	$205,705	$0	$398,976	$0	$252,461
International Travel	$9,307	$99,190	$0	$67,239	$0	$95,052	$0	$110,345
Rent and Supplies	$10,444	$0	$0	$973	$167,746	$40	$240,032	$0
Shows	$578,994	$44,488	$603,340	$124,681	$0	$113,673	$898,664	$221,623
Technical Assistance	$0	$27,618	$0	$10,426	$0	$2,806	$0	$6,213
Trade Promotion	$0	$71,423	$0	$2,104	$888,042	$2,456	$0	$27,074
Organic Trade Association Total by Year	**$641,529**	**$371,235**	**$603,340**	**$419,229**	**$1,055,788**	**$613,002**	**$1,138,696**	**$617,716**
Pear Bureau Northwest								
Compensation & Allowances	$2,372,288	$0	$2,787,814	$0	$2,355,139	$0	$0	$0
Consumer Promotion	$2,603,600	$2,396,753	$3,556,130	$2,689,441	$3,284,120	$2,625,462	$0	$2,560,644
Contractor Payments	$509,501	$0	$559,822	$0	$610,396	$0	$0	$0
International Travel	$608,405	$0	$717,784	$0	$635,573	$11,558	$0	$48,014
Rent and Supplies	$769,658	$0	$764,601	$0	$617,113	$0	$0	$0
Shows	$32,079	$49,403	$103,511	$66,105	$125,935	$71,292	$0	$134,890
Technical Assistance	$224,744	$753,065	$368,409	$760,356	$419,323	$1,009,329	$0	$970,925
Trade Promotion	$168,136	$46,160	$173,706	$31,817	$105,538	$66,189	$0	$55,488
Pear Bureau Northwest Total by Year	**$7,288,411**	**$3,245,382**	**$9,031,777**	**$3,547,719**	**$8,153,138**	**$3,783,830**	**$0**	**$3,769,961**
Pet Food Institute								
Compensation & Allowances	$438,182	$0	$455,308	$0	$345,688	$0	$559,617	$0
Consumer Promotion	$0	$906,362	$0	$814,477	$0	$746,892	$0	$575,637
Contractor Payments	$0	$455,340	$0	$591,631	$0	$677,311	$0	$481,925
International Travel	$12,000	$0	$30,805	$17,855	$11,986	$4,032	$59,347	$0
Rent and Supplies	$4,101	$0	$6,157	$0	$4,446	$0	$8,394	$0
Sales & Trade Relations	$65,305	$0	$43,991	$14,375	$67,799	$903	$8,511	$0

Shows	$0	$0	$0	$21,893	$0	$0	$0	$7,043
Technical Assistance	$0	$0	$0	$0	$0	$0	$0	$15,000
Trade Promotion	$0	$0	$0	$24,704	$0	$0	$0	$237,411
Pet Food Institute Total by Year	**$519,588**	**$1,361,702**	**$536,261**	**$1,484,935**	**$429,920**	**$1,429,137**	**$635,870**	**$1,317,015**
Raisin Administrative Committee								
Compensation & Allowances	$469,226	$0	$341,996	$0	$323,717	$0	$0	$0
Consumer Promotion	$1,001,575	$1,009,541	$929,728	$921,124	$1,286,963	$1,130,008	$0	$405,042
Contractor Payments	$1,145,165	$136,595	$1,052,121	$67,000	$1,021,849	$78,000	$0	$0
International Travel	$136,435	$0	$90,731	$0	$85,690	$15,547	$0	$0
Rent and Supplies	$66,534	$0	$59,690	$0	$60,931	$0	$0	$0
Shows	$51,950	$314,872	$3,522	$288,679	$84,756	$221,679	$0	$170,425
Trade Promotion	$1,565,710	$1,388,010	$1,789,404	$1,678,068	$867,072	$1,510,460	$0	$430,519
Raisin Administrative Committee Total by Year	**$4,436,594**	**$2,849,017**	**$4,267,192**	**$2,954,870**	**$3,730,977**	**$2,955,692**	**$0**	**$1,005,987**
Southern United States Trade Association								
Compensation & Allowances	$519,002	$550,000	$61,761	$800,000	$984,659	$800,000	$927,550	$850,000
Contractor Payments	$0	$192,961	$0	$0	$0	$0	$0	$0
Graduation Exemption	$0	$0	$0	$17,537	$0	$0	$0	$67,572
International Travel	$23,829	$865,167	$20,881	$873,469	$20,534	$502,133	$19,691	$584,291
Rent and Supplies	$173,623	$0	$79,707	$0	$100,019	$0	$93,103	$0
Sales & Trade Relations	$7,641	$0	$22,553,590	$0	$37,733	$0	$21,266	$0
Shows	$0	$1,389,163	$0	$1,624,641	$0	$1,274,678	$0	$1,138,339
Technical Assistance	$21,493	$845,240	$49,341	$1,125,878	$99,890	$1,165,875	$44,493	$1,024,552
Trade Promotion	$11,591,098	$2,559,595	$0	$2,738,118	$11,894,711	$3,099,415	$13,123,117	$3,425,708
Southern United States Trade Association Total by Year	**$12,336,687**	**$6,402,126**	**$22,765,280**	**$7,179,644**	**$13,137,546**	**$6,842,102**	**$14,229,221**	**$7,090,461**
Sunkist Growers, Inc								
Consumer Promotion	$2,392,439	$2,392,439	$2,228,950	$2,228,950	$2,253,039	$2,253,039	$1,492,536	$1,492,536
Contractor Payments	$17,246	$17,246	$11,155	$11,155	$4,125	$4,125	$4,125	$4,125
Trade Promotion	$330,928	$330,928	$310,819	$310,819	$639,724	$639,724	$1,218,540	$1,218,540
Sunkist Growers, Inc Total by Year	**$2,740,613**	**$2,740,613**	**$2,550,924**	**$2,550,924**	**$2,896,888**	**$2,896,888**	**$2,715,201**	**$2,715,201**
Synergistic Hawaii Agriculture Council								
Compensation & Allowances	$10,252	$0	$17,135	$0	$51,252	$0	$61,849	$0
Consumer Promotion	$10,546	$116,048	$8,599	$58,526	$2,259	$34,227	$2,635	$164,123
Contractor Payments	$6,773	$25,000	$24,677	$77,655	$7,691	$25,000	$17,534	$92,835

Rent and Supplies	$1,879	$0	$1,992	$0	$1,705	$0	$14,894	$0
Shows	$24,110	$43,577	$8,233	$14,914	$24,985	$72,698	$22,462	$41,155
Trade Promotion	$0	$0	$4,361	$24,894	$350	$49,810	$19,956	$81,301
Synergistic Hawaii Agriculture Council Total by Year	**$53,561**	**$184,624**	**$64,997**	**$175,989**	**$88,244**	**$181,735**	**$139,331**	**$379,415**
Texas Produce Export Association								
Compensation & Allowances	$33,371	$0	$34,799	$0	$35,545	$0	2/	2/
Consumer Promotion	$0	$0	$9,559	$0	$20,970	$0	2/	2/
Contractor Payments	$10,951	$15,000	$9,390	$34,500	$19,069	$15,000	2/	2/
International Travel	$5,209	$0	$5,192	$0	$4,130	$0	2/	2/
Rent and Supplies	$5,775	$0	$5,846	$0	$5,784	$0	2/	2/
Shows	$13,104	$0	$10,605	$0	$5,342	$0	2/	2/
Trade Promotion	$12,269	$87,952	$0	$67,538	$0	$84,939	2/	2/
Texas Produce Export Association Total by Year	**$80,679**	**$102,952**	**$75,390**	**$102,038**	**$90,840**	**$99,939**	**$0**	**$0**
The Catfish Institute								
Compensation & Allowances	$133,381	$0	$119,062	$0	$0	$0	$0	$0
Consumer Promotion	$23,997	$151,477	$9,401	$84,884	$0	$39,510	$0	$19,520
Contractor Payments	$44,439	$46,827	$42,247	$37,460	$0	$30,510	$0	$100,140
International Travel	$1,670	$0	$2,886	$0	$0	$0	$0	$0
Rent and Supplies	$20,494	$0	$16,111	$0	$0	$0	$0	$0
Technical Assistance	$0	$0	$0	$0	$0	$0	$0	$130
Trade Promotion	$8,887	$144,021	$13,233	$101,081	$0	$72,539	$0	$12,669
The Catfish Institute Total by Year	**$232,868**	**$342,326**	**$202,939**	**$223,424**	**$0**	**$142,559**	**$0**	**$132,459**
The Popcorn Board								
Compensation & Allowances	$86,653	$0	$89,797	$0	$94,831	$0	$95,782	$0
Consumer Promotion	$35,220	$131,705	$8,556	$102,810	$36,956	$150,257	$21,160	$219,515
Contractor Fees	$0	$101,500	$0	$124,985	$0	$79,464	$0	$113,701
International Travel	$0	$1,808	$0	$0	$0	$0	$0	$0
Rent and Supplies	$27,359	$0	$31,418	$0	$28,360	$0	$30,544	$0
Shows	$0	$75,266	$0	$84,013	$0	$85,036	$0	$49,856
The Popcorn Board Total by Year	**$149,232**	**$310,279**	**$129,771**	**$311,809**	**$160,147**	**$314,758**	**$147,486**	**$383,073**
U.S. Apple Export Council								
Compensation & Allowances	$1,622,209	$0	$1,857,189	$0	$0	$0	$0	$0
Consumer Promotion	$5,250	$1	$5,250	$0	$0	$0	$0	$5,867

Contractor Payments	$25,370	$290,669	$25,370	$354,752	$0	$417,175	$0	$305,465
International Travel	$158,262	$270,977	$164,912	$160,173	$0	$44,980	$0	$82,253
Rent and Supplies	$387,132	$0	$279,459	$0	$0	$4,130	$0	$0
Sales & Trade Relations	$1,950	$0	$655	$338	$0	$1,720	$0	$0
Shows	$27,000	$46,905	$20,400	$108,245	$0	$48,913	$0	$52,826
Technical Assistance	$66,000	$33,383	$43,500	$60,782	$0	$81,621	$0	$99,269
Trade Promotion	$96,936	$225,197	$100,975	$195,087	$0	$51,281	$0	$78,570
U.S. Apple Export Council Total by Year	**$2,390,109**	**$867,132**	**$2,497,710**	**$879,377**	**$0**	**$649,820**	**$0**	**$624,250**
U.S. Dairy Export Council								
Compensation & Allowances	$2,204,917	$0	$3,046,499	$0	$3,528,137	$0	$4,020,380	$0
Consumer Promotion	$175,826	$1,288,736	$72,272	$1,076,999	$42,419	$260,727	$0	$0
Contractor Payments	$1,124,991	$1,280,000	$1,135,637	$1,313,000	$1,120,379	$1,380,000	$1,890,234	$1,607,285
International Travel	$361,545	$635	$583,273	$235,952	$756,405	$501,901	$631,242	$99,993
Rent and Supplies	$1,014,640	$0	$997,838	$0	$1,075,134	$0	$1,322,357	$0
Shows	$13,538	$83,997	$29,662	$234,644	$79,143	$340,462	$23,313	$228,818
Technical Assistance	$1,578,602	$1,997,560	$1,751,543	$2,267,519	$1,703,570	$1,426,394	$2,140,588	$2,084,462
Trade Promotion	$722,899	$0	$1,654,755	$0	$2,155,256	$420,395	$2,262,656	$285,523
U.S. Dairy Export Council Total by Year	**$7,196,958**	**$4,650,928**	**$9,271,478**	**$5,128,114**	**$10,460,443**	**$4,329,879**	**$12,290,770**	**$4,306,080**
U.S. Dry Bean Council								
Compensation & Allowances	$20,640	$0	$26,448	$0	$31,643	$0	$32,045	$0
Consumer Promotion	$47,412	$0	$33,060	$0	$94,032	$0	$95,226	$0
Contractor Payments	$17,124	$666,855	$24,750	$751,814	$28,594	$717,441	$26,811	$717,679
International Travel	$87,200	$187,653	$70,542	$209,852	$68,748	$346,829	$202,063	$240,115
Rent and Supplies	$9,787	$0	$83,061	$0	$13,120	$0	$13,287	$0
Sales & Trade Relations	$0	$2,452	$0	$2,909	$0	$2,588	$0	$3,406
Shows	$97,000	$27,760	$98,000	$28,393	$85,000	$50,279	$0	$26,507
Technical Assistance	$298,116	$0	$267,501	$0	$266,106	$1,350	$286,285	$46,138
Trade Promotion	$131,914	$209,507	$122,594	$252,232	$119,066	$113,399	$69,376	$146,471
U.S. Dry Bean Council Total by Year	**$709,193**	**$1,094,227**	**$725,956**	**$1,245,201**	**$706,308**	**$1,231,886**	**$725,093**	**$1,180,317**
U.S. Grains Council								
Compensation & Allowances	$1,893,922	$8,550	$1,933,840	$67,497	$1,709,956	$79,819	$2,066,127	$72,973
Contractor Fees	$141,959	$75,115	$131,784	$107,094	$108,486	$83,911	$21,775	$74,459
International Travel	$657,157	$3,966,761	$842,361	$3,734,917	$949,036	$2,843,213	$499,626	$2,571,680
Rent and Supplies	$84,232	$723,487	$239,206	$853,714	$285,960	$909,981	$288,387	$952,662
Sales & Trade Relations	$40,672	$89,397	$93,013	$165,910	$80,774	$109,190	$42,962	$102,666

Technical Assistance	$97,438	$3,970,271	$490,122	$5,047,799	$227,078	$3,728,006	$515,002	$2,925,261
Trade Promotion	$0	$0	$10,379	$0	$40,079	$22,103	$0	$9,411
U.S. Grains Council Total by Year	**$2,915,380**	**$8,833,581**	**$3,740,704**	**$9,976,931**	**$3,401,370**	**$7,776,224**	**$3,433,879**	**$6,709,112**
U.S. Hide, Skin and Leather Association								
Compensation & Allowances	$10,388	$5,720	$888	$0	$0	$0	$0	$0
Contractor Payments	$68,204	$8,963	$112,949	$0	$118,038	$0	$71,506	$4,908
International Travel	$0	$27,677	$1,028	$65,294	$390	$51,548	$0	$66,018
Rent & Supplies	$0	$34	$0	$0	$0	$0	$0	$4,077
Sales & Trade Relations	$0	$1,395	$0	$0	$0	$0	$0	$184
Trade Promotion	$87,037	$0	$111,270	$0	$81,685	$0	$141,394	$4,025
U.S. Hide, Skin and Leather Association Total by Year	**$165,629**	**$43,789**	**$226,135**	**$65,294**	**$200,114**	**$51,548**	**$212,900**	**$79,212**
U.S. Livestock Genetics Export, Inc.								
Compensation & Allowances	$0	$6,138	$0	$0	$0	$0	$0	$0
Consumer Promotion	$0	$2,027	$0	$0	$0	$0	$0	$0
Contractor Payments	$158,808	$55,307	$145,496	$61,682	$152,735	$49,086	$170,812	$55,800
International Travel	$1,603,700	$598,723	$1,543,295	$654,269	$1,620,083	$630,789	$1,836,562	$591,706
Rent and Supplies	$0	$0	$7,931	$3,401	$8,326	$0	$0	$0
Sales & Trade Relations	$22,274	$8,368	$10,666	$4,325	$11,197	$10,125	$31,863	$10,270
Shows	$179,635	$67,947	$168,742	$71,603	$177,138	$49,145	$227,640	$73,437
Technical Assistance	$113,971	$42,915	$104,473	$44,341	$109,671	$83,166	$189,208	$61,000
Trade Promotion	$814,289	$304,666	$754,281	$319,986	$791,811	$332,592	$828,769	$267,277
U.S. Livestock Genetics Export, Inc. Total by Year	**$2,892,677**	**$1,086,090**	**$2,734,884**	**$1,159,606**	**$2,870,961**	**$1,154,903**	**$3,284,855**	**$1,059,489**
U.S. Meat Export Federation								
Compensation & Allowances	$2,467,575	$2,997,184	$3,040,668	$2,945,320	$3,439,383	$3,390,387	$5,733,899	$3,479,376
Consumer Promotion	$2,186,736	$2,656,070	$3,583,758	$3,865,199	$5,573,035	$5,482,232	$2,984,077	$1,810,770
Contractor Payments	$310,326	$376,930	$405,819	$441,167	$491,545	$495,956	$928,788	$563,593
International Travel	$167,408	$203,337	$311,396	$317,920	$364,469	$359,279	$462,926	$280,903
Rent and Supplies	$608,494	$739,092	$684,763	$1,087,125	$1,245,890	$1,228,146	$1,747,666	$1,060,496
Shows	$725,069	$880,685	$859,912	$927,441	$1,057,924	$1,042,854	$692,030	$419,928
Technical Assistance	$2,581,558	$3,135,627	$2,612,890	$2,818,094	$2,286,427	$2,253,856	$1,988,778	$1,206,644
Trade Promotion	$4,676,655	$5,680,396	$4,708,835	$5,078,626	$4,129,505	$4,070,676	$5,827,837	$3,536,522
U.S. Meat Export Federation Total by Year	**$13,723,822**	**$16,669,321**	**$16,208,041**	**$17,480,891**	**$18,588,177**	**$18,323,386**	**$20,366,002**	**$12,358,232**
U.S. Wheat Associates								

Compensation & Allowances	$1,704,673	$859,479	$1,759,678	$1,270,553	$2,077,702	$1,781,877	$2,158,281	$1,395,371
Consumer Promotion	$0	$10,753	$0	$7,148	$0	$0	$0	$0
Contractor Payments	$0	$33,872	$0	$0	$0	$0	$0	$927
International Travel	$196,419	$1,381,599	$217,499	$2,716,355	$273,449	$1,781,909	$342,248	$2,283,653
Rent and Supplies	$631,042	$1,948,606	$598,986	$1,706,627	$705,522	$1,673,359	$818,095	$1,669,218
Sales & Trade Relations	$27,408	$151,287	$27,046	$180,576	$24,280	$154,120	$41,858	$108,421
Technical Assistance	$2,064,361	$2,337,239	$2,559,663	$1,449,434	$2,773,061	$1,228,484	$2,697,362	$894,251
Trade Promotion	$644,938	$34,971	$594,217	$38,347	$669,522	$29,745	$674,731	$39,223
U.S. Wheat Associates Total by Year	**$5,268,841**	**$6,757,805**	**$5,757,089**	**$7,369,040**	**$6,523,536**	**$6,649,494**	**$6,732,576**	**$6,391,065**
USA Dry Pea and Lentil Council								
Compensation & Allowances	$216,072	$0	$218,351	$0	$224,541	$0	$236,814	$0
International Travel	$76,583	$252,590	$58,925	$284,446	$69,237	$207,102	$58,417	$231,270
Rent and Supplies	$72,750	$0	$71,820	$0	$92,410	$0	$77,876	$0
Shows	$0	$31,421	$0	$104,462	$0	$21,977	$0	$32,755
Technical Assistance	$214,814	$487,306	$270,901	$490,755	$264,010	$490,487	$261,264	$420,127
Trade Promotion	$0	$147,462	$0	$350,767	$0	$190,508	$0	$146,222
USA Dry Pea and Lentil Council Total by Year	**$580,219**	**$918,779**	**$619,997**	**$1,230,430**	**$650,198**	**$910,074**	**$634,371**	**$830,375**
USA Poultry and Egg Export Council								
Compensation & Allowances	$1,518,207	$0	$1,717,837	$0	$1,485,778	$0	$1,483,209	$2,686
Consumer Promotion	$107,000	$663,536	$15,500	$283,302	$39,988	$404,791	$76,694	$47,783
Contractor Payments	$0	$25,129	$0	$19,697	$0	$136,181	$0	$380,059
International Travel	$0	$484,000	$0	$552,874	$0	$452,983	$0	$534,018
Rent and Supplies	$1,385,979	$90,904	$442,875	$157,890	$459,172	$2,157	$178,700	$67,846
Sales & Trade Relations	$0	$30,000	$0	$21,639	$0	$0	$0	$0
Shows	$0	$19,007	$0	$176,072	$0	$19,019	$0	$23,677
Technical Assistance	$427,874	$8,641	$371,439	$28,831	$362,717	$0	$664,115	$0
Trade Promotion	$3,090,600	$3,952,114	$3,706,293	$4,327,917	$4,169,034	$4,116,419	$3,102,378	$3,802,384
USA Poultry and Egg Export Council Total by Year	**$6,529,660**	**$5,273,330**	**$6,253,944**	**$5,568,223**	**$6,516,689**	**$5,131,550**	**$5,505,096**	**$4,858,452**
USA Rice Federation/US Rice Producers								
Compensation & Allowances	$15,330,502	$0	$16,649,863	$0	$15,741,671	$0	$16,382,690	$0
Consumer Promotion	$3,353,619	$2,557,175	$2,479,215	$2,649,904	$1,873,349	$1,802,609	$315,074	$1,700,953
Contractor Payments	$16,499	$1,358,545	$47,851	$1,366,016	$34,606	$1,011,335	$60,194	$919,138
International Travel	$182,603	$184,380	$309,953	$115,449	$105,611	$104,658	$113,992	$95,353
Rent and Supplies	$19,288	$309	$31,261	$1,053	$34,022	$1,356	$44,297	$608

Sales & Trade Relations	$65,350	$12,734	$15,686	$14,347	$30,714	$11,612	$49,059	$6,934
Trade Promotion	$0	$4,462	$0	$16,220	$0	$0	$0	$13,550
USA Rice Federation/US Rice Producers Total by Year	**$18,967,861**	**$4,117,604**	**$19,533,829**	**$4,162,989**	**$17,819,973**	**$2,931,571**	**$16,965,305**	**$2,736,536**
Washington Apple Commission								
Compensation & Allowances	$8,304,746	$0	$8,792,283	$0	$9,285,925	$0	$0	$0
Consumer Promotion	$7,536,447	$3,877,710	$6,807,801	$3,859,324	$5,974,385	$3,502,947	$0	$2,898,277
Contractor Payments	$428,325	$0	$360,640	$0	$355,368	$0	$0	$0
International Travel	$1,216,802	$0	$1,257,474	$0	$1,079,368	$0	$0	$0
Rent and Supplies	$332,802	$0	$351,776	$0	$138,433	$0	$0	$0
Sales & Trade Relations	$65,678	$0	$42,968	$0	$24,826	$0	$0	$0
Shows	$80,000	$0	$0	$0	$80,000	$0	$0	$0
Technical Assistance	$20,049	$0	$29,054	$0	$32,852	$0	$0	$0
Trade Promotion	$1,781,005	$1,371,790	$1,733,342	$1,489,422	$1,945,836	$1,711,210	$0	$1,513,832
Washington Apple Commission Total by Year	**$19,765,854**	**$5,249,500**	**$19,375,338**	**$5,348,746**	**$18,916,993**	**$5,214,156**	**$0**	**$4,412,108**
Washington State Fruit Commission								
Compensation & Allowances	$332,555	$0	$350,945	$0	$301,655	$0	$421,533	$0
Consumer Promotion	$2,124,767	$1,034,231	$2,610,641	$1,164,930	$4,110,176	$1,406,125	$3,630,358	$1,219,198
Contractor Payments	$182,828	$37,894	$253,765	$0	$215,716	$13,000	$196,535	$11,257
International Travel	$534,397	$0	$649,957	$0	$619,947	$0	$537,778	$0
Rent and Supplies	$78,904	$0	$48,051	$0	$97,865	$0	$88,047	$0
Sales & Trade Relations	$0	$0	$0	$0	$3,079	$0	$8,748	$0
Shows	$0	$0	$0	$0	$9,802	$0	$14,036	$0
Trade Promotion	$13,592	$38,830	$72,675	$44,270	$9,427	$56,566	$1,160	$166,383
Washington State Fruit Commission Total by Year	**$3,267,043**	**$1,110,955**	**$3,986,034**	**$1,209,200**	**$5,367,667**	**$1,475,691**	**$4,898,195**	**$1,396,837**
Welch Foods Inc.								
Consumer Promotion	$3,477,329	$893,415	$1,195,316	$921,586	$2,690,111	$862,551	$1,226,756	$882,947
Contractor Payments	$107,940	$0	$0	$0	$0	$0	$0	$0
International Travel	$1,102	$0	$1,748	$0	$1,050	$0	$948	$0
Welch Foods Inc. Total by Year	**$3,586,371**	**$893,415**	**$1,197,064**	**$921,586**	**$2,691,161**	**$862,551**	**$1,227,704**	**$882,947**
Western United States Agricultural Trade Assoc.								
Compensation & Allowances	$28,539,372	$330,000	$1,346,824	$476,194	$12,052,306	$560,464	$12,656,076	$582,939
Contractor Payments	$0	$860,214	$0	$635,652	$0	$605,254	$83,036	$710,263

Graduation Exemption	$0	$107,327	$0	$341,881	$0	$1,027,580	$0	$902,627
International Travel	$1,285,506	$740,293	$1,328,333	$675,814	$1,545,913	$834,031	$3,280,874	$887,218
Rent and Supplies	$227,453	$220,000	$24,554,268	$323,863	$216,096	$239,536	$268,454	$267,061
Sales & Trade Relations	$0	$8,905	$0	$8,944	$0	$35,537	$0	$28,796
Shows	$0	$345,753	$0	$623,864	$0	$366,384	$0	$526,319
Technical Assistance	$3,083,886	$143,131	$2,124,143	$263,430	$1,499,274	$156,770	$3,701,622	$249,066
Trade Promotion	$16,678,205	$8,152,610	$17,521,979	$6,854,031	$30,769,964	$5,470,349	$19,467,880	$4,580,096
Western United States Agricultural Trade Assoc. Total by Year	**$49,814,421**	**$10,908,233**	**$46,875,547**	**$10,203,673**	**$46,083,553**	**$9,295,905**	**$39,457,942**	**$8,734,384**
Wine Institute								
Compensation & Allowances	$1,084,258	$0	$1,072,134	$0	$1,114,602	$0	$0	$0
Consumer Promotion	$178,437	$1,296,733	$77,049	$870,853	$8,650	$664,130	$0	$524,263
Contractor Payments	$209,682	$620,761	$169,725	$768,731	$294,228	$1,372,100	$0	$957,720
Graduation Exemption	$0	$74,687	$0	$98,219	$0	$48,470	$0	$38,006
International Travel	$1,090,954	$489,307	$968,289	$627,706	$1,060,686	$709,964	$0	$690,733
Rent and Supplies	$223,362	$0	$191,894	$0	$156,734	$0	$0	$0
Sales & Trade Relations	$5,493	$0	$5,802	$0	$10,098	$0	$0	$0
Shows	$382,054	$530,603	$549,449	$787,440	$404,552	$515,956	$0	$1,269,995
Technical Assistance	$13,256	$1,443,950	$40,309	$1,305,780	$26,121	$1,282,214	$0	$1,287,206
Trade Promotion	$7,254,902	$2,515,051	$7,322,299	$2,157,967	$9,304,887	$2,508,873	$0	$2,105,942
Wine Institute Total by Year	**$10,442,398**	**$6,971,092**	**$10,396,950**	**$6,616,695**	**$12,380,558**	**$7,101,705**	**$0**	**$6,873,865**

[1/]Please note for these Participants the 2013 contributions are not complete.

Participants listed with a "1/" are on a July-June marketing year and have until December 31, 2014 to report all contributions.

[2/]Participants not in program

MAP
COOPERATOR'S WITH OVERSEAS OFFICES

Participant	Country	City	Fiscal Year
Almond Board	China	Shanghai	FY 2012 -2014
Almond Board	India	New Delhi	FY 2012 -2014
American Peanut Council	United Kingdom	London	FY 2010- 2014
Cotton Council International	China (Mainland)	Shanghai	FY 2010- 2014
Cotton Council International	Hong Kong	Hong Kong	FY 2010- 2014
Cotton Council International	Korea, Republic of	Seoul	FY 2010- 2014
Cotton Council International	United Kingdom	London	FY 2010- 2014
National Renderers Association	Hong Kong	Hong Kong	FY 2010- 2014
National Renderers Association	Mexico	Mexico City	FY 2010- 2014
U.S. Grains Council	China (Mainland)	Beijing	FY 2010- 2014
U.S. Grains Council	Egypt	Cairo	FY 2010- 2014
U.S. Grains Council	Japan	Tokyo	FY 2010- 2014
U.S. Grains Council	Korea, Republic of	Seoul	FY 2010- 2014
U.S. Grains Council	Malaysia	Kuala Lumpur	FY 2010- 2014
U.S. Grains Council	Mexico	Mexico City	FY 2010- 2014
U.S. Grains Council	Panama	Panama City	FY 2010- 2014
U.S. Grains Council	Taiwan	Taipei	FY 2010- 2014
U.S. Grains Council	Tunisia	Tunis	FY 2010- 2014
U.S. Grains Council	Jordan	Amman	FY 2010 -2012
U.S. Meat Export Federation	Belgium	Brussels	FY 2010- 2014
U.S. Meat Export Federation	China	Hong Kong	FY 2010- 2014
U.S. Meat Export Federation	China	Beijing	FY 2010- 2014
U.S. Meat Export Federation	China	Shanghai	FY 2010- 2014
U.S. Meat Export Federation	China	Shenyang	FY 2010- 2013
U.S. Meat Export Federation	Mexico	Mexico City	FY 2010- 2014
U.S. Meat Export Federation	Mexico	Monterey	FY 2010- 2014
U.S. Meat Export Federation	Singapore		FY 2010- 2014
U.S. Meat Export Federation	Russia	Moscow	FY 2010- 2014
U.S. Meat Export Federation	Japan	Tokyo	FY 2010- 2014
U.S. Meat Export Federation	Russia	St. Petersburg	FY 2010- 2014
U.S. Meat Export Federation	Korea, Republic of	Seoul	FY 2010- 2014
U.S. Meat Export Federation	Taiwan	Taipei	FY 2010- 2014
USA Poultry & Egg Export Council	China	Hong Kong	FY 2010- 2014
USA Poultry & Egg Export Council	China	Beijing	FY 2010- 2014
USA Poultry & Egg Export Council	China	Shanghai	FY 2010- 2014
USA Poultry & Egg Export Council	Singapore		FY 2010- 2014
USA Poultry & Egg Export Council	Mexico	Mexico City	FY 2010- 2014
USA Poultry & Egg Export Council	Mexico	Monterey	FY 2010- 2014
USA Poultry & Egg Export Council	Russia	Moscow	FY 2010 -2011
USA Rice Association	Germany	Hamburg	FY 2010 -2011
US Wheat Association	Mexico	Mexico City	FY 2010- 2014
US Wheat Association	Chile	Santiago	FY 2010- 2014
US Wheat Association	Singapore		FY 2010- 2014

MAP
COOPERATOR'S WITH OVERSEAS OFFICES

Participant	Country	City	Fiscal Year
US Wheat Association	Philippines	Manila	FY 2010-2014
US Wheat Association	Japan	Tokyo	FY 2010-2014
US Wheat Association	Korea, Republic of	Seoul	FY 2010-2014
US Wheat Association	Netherlands	Rotterdam	FY 2010-2014
US Wheat Association	Morocco	Casablanca	FY 2010-2014
US Wheat Association	China	Beijing	FY 2010-2014
US Wheat Association	China	Hong Kong	FY 2010-2014
US Wheat Association	Taiwan	Taipei	FY 2010-2014
US Wheat Association	South Africa	Capetown	FY 2010-2014
US Wheat Association	Nigeria	Lagos	FY 2010-2014
US Wheat Association	Mexico	Mexico City	FY 2010-2014
US Soybean Export Council**	Mexico	Guadalahara	FY 2010-2014
US Soybean Export Council**	Singapore		FY 2010-2014
US Soybean Export Council**	Japan	Tokyo	FY 2010-2014
US Soybean Export Council**	China	Beijing	FY 2010-2014
US Soybean Export Council**	Korea, Republic of	Seoul	FY 2010-2014
US Soybean Export Council**	Taiwan	Taipei	FY 2010-2014
US Soybean Export Council**	Nigeria	Lagos	FY 2010-2014
The Wood Groups	Mexico	Mexico City	FY 2010 -2014
The Wood Groups	United Kingdom	London	FY 2010-2014
The Wood Groups	China	Hong Kong	FY 2010-2014
The Wood Groups	Japan	Osaka	FY 2010-2014
The Wood Groups	Japan	Tokyo	FY 2010-2014
The Wood Groups	Taiwan	Taipei	FY 2010-2014
The Wood Groups	China	Shanghai	FY 2010-2014

US Soybean Export Council** Cooperator within the American Soybean Association

U.S. Agricultural Trade Policy

Mr. Aderholt: Agricultural trade has been one of the few bright spots in the economy. U.S. agricultural exports have achieved record levels by exceeding $478 billion over four years and Ag exports are on track to set a new record this year. Against the backdrop of a very poor economy in the past four years, the Agriculture community can take pride in the positive impact of U.S. agricultural exports. A number of trade experts believe that there is far greater potential for growth of U.S. exports simply because 95 percent of the World's consumers live outside of the United States and the world markets will demand the high quality products produced by U.S. farmers, ranchers, and producers. This is the second year in a tow when Congress has failed to see any new efforts, initiatives or plans by USDA to do more U.S. agricultural exports.

Just last month, OIG released a report on the matter of Foreign Agricultural Service performance and said that FAS's performance measures were not outcome-based and do not show how the U.S. is performing in a given market compared to its competitors.

Bill Emerson Humanitarian Trust (BEHT)

Mr. Aderholt: Section 714 of Division A of PL 113-76 prevents reimbursements to the CCC in excess of $20 million for FY 2014. If this provision is carried year over year, does this mean that a $150 million drawdown in the BEHT would take seven or more years to bring the BEHT back to the current level?

Response: If the requirement to reimburse the Commodity Credit Corporation (CCC) were to trigger under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust (BEHT) Act, then that section provides that CCC shall be reimbursed from funds made available to carry out the Food for Peace Act, and the funds shall be available to replenish the trust under subsection (b) of the BEHT Act. Under such subsection (b), specifically 302(b)(2)(B), such funds shall be derived from any one or more of three sources: (i) with respect to fiscal years 2000 through 2018, from funds made available to carry out the Food for Peace Act, except that, of such funds, not more than $20 million may be expended for this purpose; (ii) from funds authorized for that used by an appropriations Act; or (iii) from funds accrued through the management of the trust under subsection (d) of the BEHT Act. Furthermore, under section 302(f)(2)(C), the reimbursement may be made from funds appropriated for subsequent fiscal years. Consequently, under the BEHT Act itself, not more than $20 million of any funds from the Food for Peace Act to reimburse CCC for the release of eligible commodities may be expended for such purpose, but at any time funds may be authorized for such use by an appropriations Act. If a release of eligible commodities of $150 million were to occur, and if the only source to reimburse CCC were funds made available for such purpose were from funds available to carry out the Food for Peace Act, mathematically it would require a minimum of 7.5 years to complete such reimbursement.

Mr. Aderholt: Currently the BEHT is composed of only cash and no commodities. The provision referenced in the previous question uses the words "eligible commodities" for reimbursement. Does this verbiage provide authority to reimburse cash to the BEHT?

Response: Section 302(f)(2)(A) contemplates that CCC shall be reimbursed for the release of eligible commodities from funds under subsection (b) of Section 302, derived in the three ways described in that subsection, including from funds made available to carry out the

Food for Peace Act, and the funds shall be available to replenish the trust. Alternatively, such reimbursement may occur by direct appropriation pursuant to section 302(f)(2)(C).

Agricultural Trade Data

Mr. Aderholt: Please provide the Subcommittee with a list of the top ten agricultural exported and imported products for fiscal years 2009 through 2013 and estimated for 2014 by volume and dollars.

Please provide the Subcommittee with a list of the top ten agricultural export and import countries for fiscal years 2009 through 2013 and estimated 2014 by volume and dollars.

Response: The information is submitted for the record.

[The information follows:]

Top 10 U.S. agricultural exports: value and volume by commodity, 2009-2013 and 2014 forecast [1]
12/17/14 - See updates from OGA.

Rank	Commodity	Fiscal year 2009	2010	2011	2012	2013	Aug. Forecast 2014
Rank	Value	--- Billion dollars ---					
1	Soybeans	13.8	16.9	20.4	19.8	20.7	24.0
2	Corn	9.3	9.1	12.9	11.2	5.6	11.0
3	Wheat [2]	6.0	5.8	11.5	8.4	10.1	8.3
4	Tree nuts, whole and processed	3.5	4.1	5.1	6.1	7.2	8.2
5	Fruits and vegetables, fresh	5.4	5.9	6.6	7.0	7.3	7.7
6	Fruits and vegetables, processed [3]	5.4	5.6	6.3	6.8	7.1	7.7
7	Dairy products	2.3	3.4	4.5	5.2	6.1	7.5
8	Poultry and products	4.8	4.6	5.5	6.2	6.5	6.2
9	Beef and veal [4]	2.7	3.2	4.6	4.8	5.2	6.0
10	Soybean meal [5]	3.0	3.8	3.4	3.9	5.5	5.8
	Other Agricultural Products	40.2	46.2	56.6	56.4	59.6	60.1
	Total	96.3	108.5	137.4	135.8	141.0	152.5
Rank	Volume	--- Million metric tons ---					
1	Soybeans	34.9	41.6	40.4	38.5	34.7	44.6
2	Corn	47.7	49.6	45.1	38.4	18.2	49.0
3	Wheat [2]	22.5	25.7	34.6	27.0	31.1	26.9
4	Tree nuts, whole and processed	0.9	1.0	1.1	1.2	1.3	N/A
5	Fruits and vegetables, fresh	4.9	5.0	5.6	5.6	5.6	N/A
6	Fruits and vegetables, processed [3] [6]	-	-	-	-	-	-
7	Dairy products [7]	1.1	1.5	1.7	1.8	2.0	N/A
8	Poultry products [8]	4.0	3.6	4.0	4.1	4.2	N/A
9	Beef and veal [4]	0.6	0.7	0.9	0.8	0.8	0.9
10	Soybean meal [5]	7.7	10.1	8.2	8.8	10.1	10.6

Total may not add due to rounding.

[1] Full year FY 2014 data will be released on November 4, 2014. Official trade forecasts for FY2014 were released in August http://www.ers.usda.gov/publications/aes-outlook-for-us-agricultural-trade.aspx Products designated with N/A do not have an official volume forecast. [2] Excludes wheat flour. [3] Includes juices. [4] Includes chilled, frozen, and processed meats. [5] Includes soy flours made from protein meals. [6] As a result of various units of measure for different products, the volume is not totaled. [7] Does not include fluid products measured in liters. [8] Does not include live poultry measured by number of birds
Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Top 10 U.S. agricultural imports: value and volume by commodity, 2009-2013 and 2014 forecast [1/]
12/17/14 - See updates from OGA.

	Commodity	Fiscal year					
		2009	2010	2011	2012	2013	Aug. Forecast 2014
Rank	**Value**	--- Billion dollars ---					
1	Fresh Fruit	6.1	6.8	7.1	7.6	8.3	9.7
2	Fresh Vegetables	4.2	5.2	5.7	5.8	6.5	6.8
3	Coffee beans and products	4.1	4.4	7.3	7.8	6.1	5.8
4	Wine	4.1	4.3	4.8	5.1	5.4	5.5
5	Vegetable oils	3.7	3.8	5.6	5.8	5.2	5.3
6	Processed Fruit	3.4	3.3	4.3	4.4	4.7	4.8
7	Cocoa and Chocolate	3.3	4.2	4.6	4.1	4.0	4.8
8	Processed Vegetables	3.5	3.6	3.9	4.2	4.2	4.4
9	Beef and veal	2.9	2.9	3.0	3.6	3.7	4.4
10	Beer	3.4	3.5	3.5	3.7	3.6	4.0
	Other Agricultural Products	34.7	37.0	44.7	51.3	52.1	54.0
	Total	73.4	79.0	94.5	103.4	103.9	109.5
Rank	**Volume**	--- Million metric tons 2/ ---					
1	Fresh Fruit	8.5	9.1	9.3	9.6	10.4	10.8
2	Fresh Vegetables	4.6	5.4	5.5	5.7	6.0	6.5
3	Coffee beans	1.3	1.3	1.5	1.5	1.5	1.6
4	Wine 2/	0.9	1.0	1.0	1.2	1.2	1.2
5	Vegetable oils	3.3	3.5	3.7	4.0	4.0	4.2
6	Processed Fruit	1.4	1.4	1.5	1.5	1.7	1.7
7	Cocoa and Chocolate	1.1	1.2	1.3	1.2	1.3	1.4
8	Processed Vegetables	2.9	2.9	3.0	3.2	3.2	3.4
9	Beef and veal	0.9	0.8	0.7	0.7	0.7	0.8
10	Beer 2/	3.1	3.1	3.2	3.3	3.1	3.4

Total may not add due to rounding.

[1/] Full year FY 2014 data will be released on November 4, 2014. Official trade forecasts for FY 2014 were released in August http://www.ers.usda.gov/publications/aes-outlook-for-us-agricultural-trade.aspx Products designated with N/A do not have an official volume forecast. 2/ Liquid volume expressed in billion liters.

Source: Compiled by USDA using data from Census Bureau, U.S. Department of Commerce.

Top U.S. Agricultural Export Partners [1/]

12/17/14 - See updates from OGA.

	Partner	2009	2010	2011	2012	2013	2014
		Fiscal Year ($Billions)					**Aug. Forecast**
1	China	11.1	15.0	19.9	23.4	23.4	28.0
2	Canada	15.5	16.6	18.6	20.0	21.5	21.6
3	Mexico	13.3	13.9	17.6	18.9	17.9	19.0
4	Japan	11.2	11.2	13.9	13.8	12.4	13.1
5	EU	7.6	8.5	10.3	8.9	11.6	12.5
6	Korea, South	3.8	5.0	6.8	6.2	5.2	6.4
7	Hong Kong	1.7	2.5	3.2	3.4	3.6	3.9
8	Taiwan	2.9	3.2	3.6	3.1	3.2	3.3
9	Indonesia	1.7	2.1	3.0	2.5	2.6	3.0
10	Philippines	1.2	1.6	2.0	2.3	2.4	2.8
	Other Partners	26.2	28.9	38.5	33.4	37.2	38.9
	Total Exports	96.3	108.5	137.5	135.9	141.0	152.5

Top U.S. Agricultural Import Partners [2/]

		2009	2010	2011	2012	2013	2014
		Fiscal Year ($Billions)					**Projection**
1	Canada	15.4	15.7	17.9	20.0	21.6	22.9
2	Mexico	11.2	13.0	15.4	16.3	17.2	18.8
3	EU	13.7	14.2	15.7	16.6	17.3	18.8
4	China	2.9	3.2	3.9	4.4	4.5	4.3
5	Brazil	2.6	2.6	3.5	3.8	3.8	3.7
6	Australia	2.4	2.3	2.4	2.6	2.7	3.2
7	Indonesia	2.0	2.6	4.0	3.7	3.1	3.1
8	India	1.3	1.5	2.3	5.4	3.7	2.9
9	Chile	2.1	2.3	2.3	2.5	2.8	2.7
10	New Zealand	1.8	1.6	1.9	2.2	2.2	2.4
	Other Partners	18.0	20.0	25.3	26.1	24.5	26.6
	Total Imports	73.4	79.0	94.5	103.4	103.4	109.5

Notes:

ata from FAS's Global Agricultural Trade System

[1/] Official export forecasts for countries may be found here http://www.ers.usda.gov/publications/aes-outlook-for-us-agricultural-trade.aspx. [2/] USDA does not provide an official forecast for imports by country. Import projections based on October - August 2014 trade.

Free Trade Agreements

Mr. Aderholt: Please provide a summary of the current status of the Trans-Pacific Trade Agreement. What role has USDA taken in these negotiations on behalf of U.S. agricultural exports?

Response: The Trans-Pacific Partnership (TPP) negotiations are at an advanced stage. In terms of agricultural objectives, two major outstanding issues are agricultural market access negotiations with Japan and with Canada. Over the last several months, USTR and USDA have met frequently with Japan to advance agricultural market access negotiations. We are well on our way to achieving significant market access for all U.S. agricultural products into Japan. With respect to U.S.-Canadian market access negotiations, we continue to push Canada to negotiate access for all products not fully liberalized under the NAFTA (i.e., dairy, poultry, and egg products). We believe Canada and other TPP countries are waiting for the result of the U.S.-Japanese market negotiations before deciding on market access treatment for their remaining sensitive products. With our other TPP partners, agricultural market access negotiations are at an advanced stage, with only treatment of sensitive tariff lines outstanding.

In addition to working on market access (tariff) negotiations, USDA has also been very involved in negotiating agricultural aspects of the agreement text, including sanitary and phytosanitary measures, technical barriers to trade, regulatory coherence, rules of origin, and market access (text). After several months of consulting with U.S. agricultural stakeholders, Congress, and within the U.S. government, USDA feels that we have put forward strong text in these areas that will benefit the U.S. agricultural industry.

Since the beginning of the negotiations, USDA has consistently worked with USTR to provide technical expertise and input into these negotiations in support of U.S. agriculture. USDA has attended all TPP rounds and engagements related to agriculture, and between formal TPP meetings, USDA works with USTR agricultural negotiators on a daily basis to support the negotiations.

Mr. Aderholt: Please provide a summary of the current status of the Transatlantic Partnership Agreement. What role has USDA taken in these negotiations on behalf of U.S. agricultural exports?

Response: The Transatlantic Trade and Investment Partnership (TTIP) negotiations are still in the early stages. Six rounds of negotiations have been held since the negotiations were launched in February 2013. Initial tariff offers were exchanged in February 2014, and draft text is being discussed in a number of areas. USDA is participating in the negotiating groups on agricultural market access, sanitary and phytosanitary measures, geographical indications, technical barriers to trade and regulatory coherence. USDA contributes substantially to these negotiations, providing technical expertise on regulatory and market access issues, and market intelligence from our offices in Europe and agricultural industry groups. These assets enable USDA to identify key export priorities and import sensitivities and to provide insights on European Union policies and programs. With this information, U.S. trade negotiators are in the best possible position to seek an agreement that provides the maximum benefit for U.S. agricultural exports.

Mr. Aderholt: Please provide a status of the three free trade agreements with Korea, Colombia and Panama, including whether or not U.S. agriculture exports can demonstrate progress in those three countries as a result of the agreements.

Response: Implementation of free trade agreements with Korea, Colombia, and Panama is underway. As a result, many U.S. agricultural exporters have new or improved access to these markets though reduced tariffs, growing tariff-rate quotas, and improved sanitary and phytosanitary (SPS) regulations.

Since implementation of the U.S.-Korea Free Trade Agreement in March 2012, U.S. exports of consumer oriented agricultural products have grown significantly, reaching a record $2.8 billion in calendar year 2013. Export growth continues to be particularly strong for fruit and vegetables, and for the meat and dairy sectors, all of which have grown more than 40 percent by value during the first six months of 2014 compared to the first half of 2013.

U.S. agricultural exports to Colombia reached an all-time high during calendar year 2013 at $1.5 billion, up from $1.1 billion in 2011, prior to implementation. In the first half of 2014, agricultural exports were up 92 percent by value compared with the first half of 2013. Growing U.S. exports to Colombia have been driven by rapid growth in U.S. corn exports, along with significant growth in exports of soy products, pork, beef, poultry, prepared foods, dairy products, and processed fruits and vegetables.

Similarly, U.S. agricultural exports to Panama reached an all-time high in 2013, increasing by 29 percent from 2011. Most U.S. agricultural exports to Panama have growing since implementation, notably exports of soy meal, corn, dairy, snack foods, pork, and wine and beer. U.S. agricultural exports have continued to increase slightly in the first half of 2014 compared with the first half of 2013.

Mr. Aderholt: What resources will be devoted to support these agreements in fiscal years 2014 and 2015?

Response: USDA Foreign Agricultural Service (FAS) staff is currently monitoring implementation and providing support to agricultural exporters by proactively providing detailed information and answering stakeholder questions as they arise. FAS staff continues to work closely with the Office of the U.S. Trade Representative (USTR) to review proposed regulations in meetings with trade officials from all three FTA countries.

For FY 2014, FAS enforcement activities for the U.S. –Korea Free Trade Agreement (KORUS) have focused primarily on clarifying country of origin rules for different U.S. agricultural products exported to Korea. USDA continues to coordinate closely with USTR and Customs and Border Protection (CBP) to ensure that U.S. products maintain preferential access to the Korean market. In fiscal year 2014, USG successfully resolved more than a dozen country-of-origin verification investigations with the Korea Customs Service. Maintaining preferential access for peanuts, peanut butter, wheat, cherries, pork, beef, orange juice, cranberries and other products saved U.S. exporters well over $100 million.

FAS staff continuously engage in FTA enforcement through annual Agriculture and SPS Committee meetings. These bilateral committees are the formal mechanism for reviewing implementation, and if necessary, for initiating follow-up enforcement activities. The Agriculture Committee and SPS Committees for the U.S.-Colombia TPA met in May 2013, when the United States was able to raise issues such as tariff-rate quota administration and market access for U.S. beef, among others. Dates for the KORUS and U.S.-Panama TPA committee meetings are currently under discussion, and likely to happen in the first half of fiscal year 2015.

FAS will continue to make available the online "Agricultural Tariff Tracker" (http://apps.fas.usda.gov/agtarifftracker), designed to provide simple and accurate tariff rates and information about tariff-rate quotas and safeguards for agricultural products destined for FTA-partner countries. The Agricultural Tariff Tracker complements the U.S. Department of Commerce's FTA Tariff Tool, which provides tariff and rules of origin information for U.S. exports to FTA partners.

In addition, the $171.8 million authorized for the Market Access Program (MAP) in fiscal year 2014 provides support for the market development efforts of over 70 industry group partners known as Cooperators. The majority of Cooperators use MAP funds for activities to fully take advantage of the market opening provisions that were negotiated on their behalf. Finally, FAS' discretionary funding request also includes increased allocations for overseas Posts to use for activities that support FAS Country Strategy Statements for FTA countries.

Climate Change

Mr. Aderholt: How much does FAS plan to spend on climate change activities in fiscal years 2014 and 2015 and how much did it spend in fiscal year 2013?

Response: FAS represents USDA in international organizations on climate change matters in order to ensure that USDA and U.S. Government positions and agricultural trade objectives are effectively represented and defended. In fiscal year 2013, FAS spent about $183,000 in salaries and benefits and about $25,000 in travel on climate change activities. In fiscal year 2014 FAS expects to spend about $185,000 in salaries and benefits and about $44,000 in travel on climate change related activities. In fiscal year 2015 FAS expects to spend about $187,000 on salaries and benefits and about $35,000 in travel on climate change related activities. Expenditures include the salary of one full-time negotiator, and his expenses for traveling to multilateral climate change negotiations. FAS will continue its work in this arena to ensure that international agreements and measures to mitigate against climate change are based on science and evidence-based results; no more trade restrictive than necessary; and consistent with other international agreements and standards.

McGovern-Dole International Food for Education

Mr. Aderholt: In fiscal years 2012 and 2013, what percentage of total resources went towards commodity expenses and what percentage went towards program implementation and administrative expenses? Has USDA determined whether or not this ratio meets the needs of the program or has the Department determined that there should be more commodity purchase and less program implementation or vice versa?

Response: In FY 2012 McGovern-Dole International Food for Education and Child Nutrition Program agreements totalled $182.1 million. Of that amount, forty-three percent was used to purchase commodities and ocean freight and fifty-seven percent was used to implement the projects including conducting the complementary activities. In FY 2013, McGovern-Dole International Food for Education and Child Nutrition Program agreements totalled $183 million. Of that amount, fifty-three percent was used to purchase commodities and ocean freight and forty-seven percent was used to implement the projects including conducting the complementary activities. The McGovern-Dole Program focuses on improving the literacy of school-aged children and increasing the use of health and dietary practices. In order to achieve these two objectives, USDA provides donations of agricultural commodities as well as financial assistance to program participants. The funds provided assist participants with the administration and

implementation of program activities such as school feeding, local capacity building, infrastructure improvements, school gardens, teacher training and so on.

The ratio of funds used to cover the cost of commodities and freight to those funds used to administer and implement the program varies largely due to the types of commodities purchased, destination country, the operating environment of the country, and the type of program activities. Activity costs tend to rise and commodity costs generally fall as projects move towards graduation and a turnover of the project to the recipient country's government or community. In these later stages, a larger share of funding is required to provide the final technical assistance for continuing the program. The recipient countries are often providing their resources for at least a portion of the food.

Agricultural Policy Advisory Committee (APAC)

Mr. Aderholt: Please provide the Subcommittee with a summary of activities for the Department's involvement with the 35 member Agricultural Policy Advisory Committee (APAC) and the six Agricultural Technical Advisory Committees (ATACs), including all meeting dates, agenda items, and total resources for both fiscal years 2013 and 2014 to date.

Response: USDA and the Office of the U.S. Trade Representative (USTR) met with the APAC and ATACs in fiscal years 2013 and 2014 as detailed in the tables below. USDA also solicited and appointed nineteen new advisers in June 2014. For fiscal years 2013 and 2014, USDA allocated approximately $100,000 and $110,000 respectively for the operation of the seven trade advisory committees. The information is submitted for the record.

[The information follows:]

Fiscal Year 2013

DATE	TOPIC DISCUSSED
11/29/2012	MEETING – All Committees - Orientation for new members - Annual ethics training - Enforcement of Trade Agreements - Updates on Korea, Colombia and Panama FTAs - Overview of Database on Foreign SPS and TBT Measures
12/4/2012	MEETING – Fruits and Vegetables ATAC - Update on TPP Negotiations (SPS Issues) - Update on Indonesia Market Access - Update on Food Safety Modernization Act (FSMA) - Technical Assistance for Specialty Crops (TASC) Update
1/31/2013	CONFERENCE CALL – All Committees Sanitary and Phytosanitary (SPS) Chapter in the Trans-Pacific Partnership trade agreement negotiations
2/6/2013	CONFERENCE CALL – All Committees Sanitary and Phytosanitary (SPS) Chapter in the Trans-Pacific Partnership trade agreement negotiations
2/14/2013	CONFERENCE CALL – APAC - Trans-Pacific Partnership (SPS/Cooperative Technical Consultations (CTC))
2/22/2013	CONFERENCE CALL – Grains, Feed, Oilseeds and Planting Seeds ATAC - Trans-Pacific Partnership (SPS/Cooperative Technical Consultations (CTC))
3/19/2013	CONFERENCE CALL – APAC, Animals ATAC, Processed Products ATAC - Consultations on USDA-issued Proposed Rule: Country of Origin Labeling (COOL) Program
3/22/2013	CONFERENCE CALL – Fruits and Vegetables ATAC - Trans-Pacific Partnership (SPS/Cooperative Technical Consultations (CTC))
6/5/2013	MEETING – ALL COMMITTEES - Ethics Refresher - Enforcement of Trade Agreements - Remarks by Chief Agricultural Negotiator, USTR and Acting Under Secretary, Farm and Foreign Agricultural Services (FFAS), USDA - Remarks by USDA Secretary and Acting U.S. Trade Representative - WTO - China Issues - Russia Issues - TTIP Negotiations Preparations - TPP (incl. Japan) - Other Business
6/19/2013	CONFERENCE CALL – Fruits and Vegetables ATAC - Transatlantic Trade and Investment Partnership Update - Potential Impacts of Country of Origin Labeling - TPP Update- SPS Chapter - APHIS Plant Protection and Quarantine Reorganization - Food Safety Modernization Act - Ethics Briefing - Technical Assistance for Specialty Crops Update - Other Business

DATE	TOPIC DISCUSSED
8/14/2013	CONFERENCE CALL – ALL COMMITTEES - Tobacco products within the scope of ongoing Trans-Pacific Partnership (TPP) negotiations
8/16/2013	CONFERENCE CALL – Grains, Feed, Oilseeds and Planting Seeds ATAC - Wheat Trade Inspection/Testing Protocols - Update on Genetically Engineered (GE) Wheat Investigation
9/4/2013	CONFERENCE CALL – ALL COMMITTEES - Update on Brunei Round of Trans-Pacific Partnership (TPP) negotiations

Fiscal Year 2014

DATE	TOPIC DISCUSSED
11/13/2013	CONFERENCE CALL – All Committees - Status of U.S. negotiating position during the Intercessional Meetings of the Trans-Pacific Partnership (TPP)
11/20/2013	CONFERENCE CALL – ALL COMMITTEES - Status of E.U. Transatlantic Trade and Investment Partnership (EU-TTIP) and the WTO negotiations taking place in Bali
11/26/2013	CONFERENCE CALL – ALL COMMITTEES - outcome of TPP negotiations held in Salt Lake City, Utah - update on WTO Bali Negotiations
2/11/2014	MEETING - All Committees -status of U.S. negotiating position on the TPP "landing zone"
3/31/2014	MEETING – ALL COMMITTEES - Roundtable Discussion with Secretary of Agriculture and United States Trade Representative - Joint Plenary Remarks from Secretary of Agriculture and United States Trade Representative - Open Discussion with Secretary of Agriculture and USTR - Transatlantic Trade and Investment Partnership (TTIP) - Enforcement of Trade Agreements - Trans-Pacific Partnership (TPP) - World Trade Organization (WTO) Negotiations - China Issues - Russia Issues
5/1/2014	CONFERENCE CALL – ALL COMMITTEES - outcome of recent discussions during a Presidential visit to Japan
7/7/2014	MEETING – Fruits and Vegetables ATAC -Welcome /Orientation for new advisors - In-Depth Discussion on Trade Relations with China - Presentation by ITC and discussion of ITC Investigation on India - Financial Protection for Produce Sellers in Canada - Introduction/Discussion on Proposed Resolution on Financial Protection for Produce Sellers in Canada - Updates on SPS/TBT Market Access Issues to include MRLs - APHIS Update on SPS Market Access Issues in Key Markets: China/India/Mexico/Others - Committee Business

DATE	TOPIC DISCUSSED
7/24/2014	MEETING – AGRICULTURAL POLICY ADVISORY COMMITTEE - Overview of the U.S. Trade Agenda - World Trade Organization (WTO) Negotiations - Transatlantic Trade and Investment Partnership (TTIP) - Trans-Pacific Partnership (TPP) - Roundtable Discussion with USDA Secretary and U.S. Trade Representative - Enforcement of Trade Agreements - Other Trade Issues - Other Business
8/11/2014	CONFERENCE CALL – ALL COMMITTEES - Russia Import Ban on U.S. Agricultural Products

Mr. Aderholt: Please provide a summary of accomplishments by APAC over the past two years.

Response: Over the past two years, the APAC has provided crucial advice on topics such as the U.S. – EU Transatlantic Trade and Investment Partnership (TTIP), the Trans-Pacific Partnership negotiations, WTO Doha negotiations, WTO trade agreement enforcement actions affecting the agricultural sector, and numerous issues related to access for various U.S. agricultural products to individual foreign countries.

The APAC's advice and input on the negotiations and issues mentioned above is an important factor in USDA and USTR deliberations as they conduct U.S. trade policy. Two specific examples demonstrate the importance of these issues for U.S. agriculture.

As recommended by the APAC, USTR and USDA have continued to actively negotiate with all countries participating in the TPP negotiations, including Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. Our goal is a TPP agreement that increases U.S. agricultural exports and supports U.S. jobs by addressing tariff and non-tariff barriers in these countries. In addition, we are taking action on APAC concerns by striving for enforceable options under the Sanitary and Phytosanitary Measures (SPS) chapter. U.S. agricultural exports to TPP countries totaled $61 billion in FY 2013, and there is significant room to expand this figure by addressing barriers to trade. U.S. negotiators are engaged in intensive, ongoing, bilateral and multilateral discussions with all of our TPP partners to finalize outstanding issues. One reason we are not yet done with the negotiations is because we are not finished securing the best deal possible for U.S. agriculture in our market access negotiations with Canada and Japan.

The APAC's recent support for USDA to remove reciprocal status to Canadian suppliers under the Perishable Agricultural Commodities Act (PACA) is important advice, as we continue to press Canada to bring its financial protection regime closer in alignment with PACA. We have raised this issue for over 15 years in various bilateral venues, most recently under the auspices of the U.S.-Canada Regulatory Cooperation Council. Unfortunately, Canada will likely need to introduce new legislation to address our concerns. Should reciprocal status be removed, this would NOT signal the end of our dialogue with Canada, it would merely be another means to address this long-standing issue.

Codex Alimentarius

Mr. Aderholt: Please summarize FAS' involvement with Codex Alimentarius, including any type of support and coordination within the past year.

Response: As a member of the U.S. Codex Technical Steering Committee, FAS provides guidance to the U.S. Delegations to Codex Committees and to the U.S. Codex Office (USCO). FAS works closely with the USCO, housed in the Food Safety and Inspection Service in USDA, to address issues and develop policy. In particular, FAS works to ensure that agricultural exporters' interests are well-represented in Codex. FAS participates directly as a delegate to several key Codex Committees, and monitors developments in other Committees. FAS works to keep the focus in Codex on development of science based standards, while ensuring that trade relevant factors are appropriately considered. In recent years, various nations have advocated for inclusion of inappropriate considerations, such as consumer preferences, national legislation constraints, or animal welfare concerns into Codex

standards. The inclusion of factors beyond the scope of Codex can result in delays in the development of standards that are needed to protect consumers and facilitate trade.

Additionally, FAS coordinates with the USCO to provide annual Codex outreach activities targeting the Codex Coordinating Committees of Africa (CCAFRICA), Asia (CCASIA), and Latin America and the Caribbean (CCLAC). This outreach includes regional colloquiums, country specific workshops, and the USCO partnership program. Given that Codex develops its standards by consensus, outreach to build support for U.S. positions is a critical component of the U.S. Codex strategy. The colloquiums provide delegates from specific regions, as well as U.S. delegates, the opportunity to foster relationships and a forum to discuss topics of interest relevant to the Codex, as well as the upcoming agendas for the specific committee meetings. The country specific workshops also seek to improve the function of the National Codex Committee in the identified country as well as reinforcing the importance of Codex at the national level. Participants include the public, private and academic sectors. FAS also facilitates the USCO partnership program, which sponsors attendance by the Codex Contact Point and the head of the National Codex Committee from targeted countries at a week-long training program in the United States. Delegates learn how the United States organizes its Codex participation and administers Codex policy, which provides participants tools to strengthen their nations' Codex processes and food safety policy.

FAS also assists the USCO to interact with targeted countries through the efforts of FAS overseas officers, and by identifying the decision makers who determine national positions for Codex. FAS overseas officers also meet with senior foreign technical and policy level experts and Codex delegates to advocate for U.S. positions and to align critical multinational support.

Transfers of Funds

Mr. Aderholt: Did the agency transfer or reimburse any funds to the OCIO or CCE in fiscal year 2013? If so, when, what for, and in what amount?

Response: No, FAS did not transfer or reimburse funds to OCIO or CCE in FY 2013.

Mr. Aderholt: What is USDA doing to monitor or control the costs charged to the Department from the State Department for their overseas services?

Response: USDA/FAS actively participates on ICASS interagency working groups both in Washington and overseas. USDA/FAS devotes significant staff resources to vigorously monitor and mitigate ICASS costs. In Washington, FAS is a member of the ICASS Executive Board, the ICASS Working Group, and the various inter-agency working groups that tackle policy, budgetary, and IT related issues. Overseas, our USDA Foreign Service Officers are voting members on the Post ICASS Council and the Budget Committee, which verify and approve the annual post ICASS budgets for all agencies. Moreover, USDA/FAS conducts exhaustive and detailed reviews of all State Department billings to ensure the agency has been accurately invoiced. Any inaccuracies are disputed immediately and persistently until corrected invoices are received. In addition, USDA/FAS does leverage its existing infrastructure in Washington to support overseas operations in areas such as travel, financial management, procurement, and the payment of local vendors and Foreign Service Officers' entitlements. Overall, the shifting of services out of ICASS to our domestic agency support as deemed appropriate and doable by management has resulted in significant savings to USDA/FAS.

OIG Audits and Evaluations

Mr. Aderholt: Please provide a status of any FAS actions to come to management agreement on findings or recommendations made by OIG audits over the past two years.

Response: FAS has achieved management decision with OIG on 17 of 25 recommendations made across four audits over the past two years. FAS requests for management decision on the remaining eight recommendations have been sent to OIG and we are waiting for the response.

FARM SERVICE AGENCY

Payment Error Rates

Mr. Aderholt: Provide a table that shows all payment error rates for fiscal years 2012 and 2013 in those seven or more programs under FSA's purview that have been identified as susceptible to significant improper payments, including CCC Marketing Assistance Loan Program, CCC Milk Income Loss Contract Program, CCC Loan Deficiency Payments, CCC Direct and Counter-Cyclical Payments, CCC Conservation Reserve Program, Miscellaneous Disaster Programs, and CCC Noninsured Crop Disaster Assistance Program.

Response: This information is provided for the record.

[The information follows:]

Farm Service Program Error Rates	Error Rate	
	FY 2012	FY 2013
Conservation Reserve Program	0.36%	0.38%
Direct and Counter-Cyclical Payments (DCP)	0.50%	NA[1]
Marketing Assistance Loan Program	0.08%	0.54%
Milk Income Loss Contract (MILC)	NA[2]	0.17%
Noninsured Crop Disaster Assistance	7.00%	5.23%
Loan Deficiency Payments (LDP)	NA[3]	
Disaster		
Livestock Forage Program	2.16%	2.72%
Supplemental Revenue Assistance Payments	NA[4]	3.94%

[1] DCP was not measured in FY 2013 due to funding authority ended September 30, 2012. Subsequent 1-year extension authorized after selection process of sampling data for high risk programs well underway through coordinated efforts amongst FSA management.
[2] MILC was not measured in FY 2012 due to low outlays.
[3] LDP was not measured in FY 2012 and FY 2013 due to low outlays.
[4] FSA measures the most significant component of Disaster activity each fiscal year. The Livestock Forage Program was measured as part of the FY 2012 Review Cycle.

FSA did not perform a statistical sample for FY2013 reporting because of the uncertainty of the Farm Bill. DCP authority was to end on September 30, 2012. The American Taxpayer Relief Act of 2012 enacted in January 2013 provided a one-year extension of Direct and Counter-Cyclical (DCP) program. However, the selection process of sampling data for high risk programs for FSA was well underway for FY2013 through coordinated efforts amongst FSA/Managerial Reporting Office, FSA/Operations, Review and Analysis Staff and FSA's contracted statistician.

FSA uses a Program Focused Approach to access its disaster programs: This process focuses on the major Disaster program in a given fiscal year, includes at least 11 months of payment activity, includes at least 77% of fiscal year outlays, and provides best opportunity for accurate assessment. All Disaster programs will be assessed using this approach.

Mr. Aderholt: What are the payment error rate goals for all programs under FSA' purview in fiscal years 2014 and 2015?

Response: This information is provided for the record.

[The information follows:]

Programs	Payment Error Rate Goals	
	FY 2014	FY 2015[5]
Conservation Reserve Program (CRP)	0.34%	NA[6]
Direct and Counter-Cyclical Payments	0.33%	TBD
Marketing Assistance Loan Program (MAL)	0.45%	NA[7]
Milk Income Loss Contract	1.80%	TBD
Noninsured Crop Disaster Assistance	4.97%	TBD
Loan Deficiency Payments	0.40%	TBD
Disaster		
Livestock Forage Program	2.05%	TBD
Supplemental Revenue Assistance Payments	2.60%	NA[8]

[5] The FY 2015 projections will be available once the FY 2014 Statistical Sample Review is completed. Completion date is currently estimated to be August 29, 2014.
[6] Office of Management and Budget no longer considers CRP high risk.
[7] Office of Management and Budget no longer considers MAL high risk.
[8] Agricultural Act of 2014 (2014 Farm Bill) eliminated funding for SURE Program.

CRP and MAL are no longer considered a high risk program effective with the Fiscal Year 2014 IPIA review cycle, per the Office of Management and Budget approval and does not need to be reported in the Fiscal Year 2014 Annual Financial Report.

The Office of Management and Budget (OMB) Circular A-123, Appendix C requires agencies to report annually for programs that meet the following criteria: an annual estimated improper payment rate of 2.5% (1.5 beginning in fiscal year 2014) and $10 million or exceed $100 million in total for estimated annual improper payments. In addition, Appendix C allows agencies to request relief from annual reporting requirements when programs fall below at least one of the thresholds (an annual estimated improper payment rate of 2.5% percent (1.5% beginning in fiscal year 2014) and $10 million or exceed $100 million in total for estimated annual improper payments) for two consecutive years. CRP and MAL have met this criteria substantiated by performance results of programs in most recent six consecutive years (fiscal years 2008 thru 2013). As a result OMB has reviewed and approved the request for these two programs to be designated as low risk programs. Moving forward, FSA will incorporate CRP and MAL into its low risk assessment cycle, as required by OMB guidance.

Mr. Aderholt: What is the payment error rate, both as a percentage and in dollars, for FSA?

Response: This information is provided for the record.

[The information follows:]

Programs	Program Error Rates and Dollars(M)			
	FY 2012		FY 2013	
Conservation Reserve Program	$6.1	0.36%	$6.3	0.38%
Direct and Counter-Cyclical Payments (DCP)	$16.8	0.50%	NA[9]	
Marketing Assistance Loan Program	$2.4	0.08%	$7.9	0.34%
Milk Income Loss Contract (MILC)	NA[10]		$0.7	0.17%
Noninsured Crop Disaster Assistance	$4.8	7.00%	$13.4	5.23%
Loan Deficiency Payments (LDP)	NA[11] [3]			
Disaster				
Livestock Forage Program	$10.2	2.16%	$2.3	2.72%
Supplemental Revenue Assistance Payments	NA[12]		$22.4	3.94%

[9] FSA did not measure DCP for FY 2013 due to funding authority ended September 30, 2012. Subsequent 1-year extension authorized after selection process of sampling data for high risk programs well underway through coordinated efforts amongst FSA management.
[10] FSA did not measure MILC for FY 2012 due to low outlays.
[11] FSA did not measure LDP for FY 2012 and FY 2013 due to low outlays.
[12] FSA measures the most significant component of Disaster activity each fiscal year. The Livestock Forage Program was measured as part of the FY 2012 Review Cycle.

Mr. Aderholt: What is the payment error rate, both as a percentage and in dollars, for CCC?

Response: This information is provided for the record.

[The information follows:]

Programs	Program Error Rates and Dollars(M)			
	FY 2013		FY 2014	
Conservation Reserve Program	0.38%	$6.3	0.97%	$15.5
Direct and Counter-Cyclical Payments (DCP)	NA		0.71%	$32.5
Marketing Assistance Loan Program	0.34%	$7.9	0.86%	$15.3
Milk Income Loss Contract (MILC)	0.17%	$0.7	0.41%	$1.1
Noninsured Crop Disaster Assistance	5.23%	$13.4	4.25%	$14.8
Loan Deficiency Payments (LDP)	NA			
Disaster				
Livestock Forage Program	2.72%	$2.3	NA	
Supplemental Revenue Assistance Payments	3.94%	$22.4	2.75%	$48.9

Improper Payments in FFAS Program

Mr. Aderholt: The Improper Payments Information Act (IPIA) of 2002 requires Federal Agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments. FSA and RMA have a few relatively high improper payment rates in their programs. In March 2013, USDA's OIG issued a report entitled: "U.S. Department of Agriculture Improper Payments Elimination and Recovery Act of 2010 Compliance Review for Fiscal Year 2012." According to the report, USDA delivers approximately $144 billion in public services annually through more than 300 programs. Of the 29 component agencies and offices that operate these programs, 7 component agencies – including RMA and FSA – currently administer "high-risk" programs that are vulnerable to significant improper payments.

A Congressional Research Service report from January 2013 said that some agencies, including USDA, have indicated that statutory or regulatory barriers have interfered with their ability to perform recovery audits. For FSA overpayments, does the Agency have any difficulty recouping funds?

Response: The Farm Service Agency pursues all overpayments until it is determined to be uncollectible because of death of the customer, bankruptcy discharging the debt or inability to pay (no assets).

All customer payments generated by FSA are automatically offset and reduced against any open receivables the customer may have in FSA's receivable system.

FSA's pursuit of overpayments is in accordance with the Debt Collection Improvement Act. Delinquent receivables are referred to Treasury and the Treasury Offset Program (TOP) to ensure federal payments are offset. After due process has been given to the producer (initial notification, first and second demand letter) annual receivable letters are mailed to the producer with outstanding receivables. If the producer has moved and has not provided updated information to FSA, LexisNexis is utilized to help locate the producer.

FSA rarely encounters statutory or regulatory barriers in the pursuit of overpayments.

If an overpayment occurs due to no fault of the customer, and the overpayment is not discovered within 90 days of the payment issued, the producer can be removed from liability based on the "Finality Rule," described as follows: The Department of Agriculture Reorganization Act of 1994, Section 281 provides that "Each decision of a State, County, or area committee or an employee of such a committee, made in good faith in the absence of misrepresentation, false statement, fraud, or willful misconduct shall be final not later than 90 calendar days after the date of filing of the application for benefits, [and] no action may be taken to recover amounts found to have been disbursed as a result of the decision in error unless the participant had reason to believe that the decision was erroneous." Since the "Finality Rule" was enacted in 1994, 196 receivables have been written off totaling $501,812.

Prior to the 2008 Farm Bill all receivables over 10 years old were written off if the receivable was not secured by collateral, a judgment or pending litigation. With the 2008 Farm Bill, the elimination of the 10-year statute of limitation enhanced the pursuit of overpayments.

Mr. Aderholt: Please provide the Subcommittee with a status and update to the FSA related issues raised in the report entitled "U.S. Department of Agriculture, Fiscal Year 2011

Improper Payments Elimination and Recovery Act of 2010 Compliance Review" issued March 14, 2012 by the Office of the Inspector General.

Response: The Office of Inspector General found that the following Farm Service Agency programs were non-compliant for one year with two of seven Improper Payments Elimination and Recovery Act of 2010 (IPERA) requirements:

- Published and has met annual reduction targets for each program assessed to be at risk and measured for improper payments. The non-compliant programs are Farm Service Agency's Conservation Reserve Program (CRP) and Miscellaneous Disaster Programs (MDP).

CRP: On March 20, 2014, the Farm Service Agency requested relief from Annual Improper Payments Reporting. The Office of Management and Budget (OMB) Circular A-123, Appendix C requires agencies to report annually for programs that meet the following criteria: an annual estimated improper payment rate of 2.5% (1.5 beginning in fiscal year 2014) and $10 million or exceed $100 million in total for estimated annual improper payments. In addition, Appendix C allows agencies to request relief from annual reporting requirements when programs fall below at least one of the thresholds (an annual estimated improper payment rate of 2.5% percent (1.5% beginning in fiscal year 2014) and $10 million or exceed $100 million in total for estimated annual improper payments) for two consecutive years. CRP has met relief request criteria substantiated by performance results of program in most recent six consecutive years (fiscal years 2008 thru 2013) of reporting to OMB. While the decision was pending, FSA conducted a statistical sample review of the CRP as part of the FY 2014 Improper Payments Information Act (IPIA) Review Cycle. Results and corrective actions will be reported as determined by the Office of the Inspector General.

MDP: FSA measured one program (Livestock Forage Disaster Program) (LFP) and reported these results under the MDP for IPERA reporting. For IPIA reporting purposes, 2012 was the first year LFP was included in the IPIA review process. The estimated 2.16% error rate was the only year available when compared to other FSA programs that were reported that had at least four years of estimated error rate data to help determine estimates. LFP payments are only calculated for acreage an eligible livestock producer intended for grazing and suffered loss because of a qualifying drought (rated by the U.S. Drought Monitor) or fire on federally managed land. It can be argued that because this program is associated with a qualifying drought and that not all counties will implement LFP every year, administrative errors are to be expected. The average error rate for LFP for the last two years is 2.44%, and the 2014 Farm Bill no longer requires producers to meet the Risk Management Purchases Requirement which contributed to the error rate in 2013.

- USDA Did not Report Completion Dates or Results for Programmatic Corrective Actions.

The OCFO guidance required agencies to provide OCFO details on corrective actions; however, OCFO did not establish a mechanism to ensure that it received and published all required details in the PAR, including completion dates for these actions. The template has since been adjusted by the OCFO to include a table with the appropriate columns requiring specific information on milestones relating to each corrective action. Subsequently, FSA is reporting appropriate information.

USDA did not comply with four of the seven IPIA requirements. However, only two of the seven non-compliant issues pertain to FSA.

Delinquency Rate in FSA Loan Programs

Mr. Aderholt: FSA has made progress in bringing down the delinquency rates for the direct and guaranteed loan programs. Less than 20 years ago, the delinquency rate was as high as 20 percent of total direct dollars. USDA reported last year the delinquency rate for direct loans was roughly 5.4 percent of direct loan dollars were outstanding and 1.07 percent of the guaranteed loan dollars were outstanding. Congress is interested in assessing the progress in this area and to make sure that USDA is doing all that they can to keep delinquency rates down, especially given that your Agency indicated an increase in volume.

Explain how such a high percentage of direct loans from last year were considered delinquent?

Response: At 5.4 percent in FY2013, the direct loan delinquency rate is at a historic low. The FLP Direct loan program is designed specifically for beginning farmers and other producers who are unable to get credit from commercial lenders, thus, the nature of the program participants' results in a higher risk of delinquency than would be seen in commercial portfolios. Therefore, maintaining the delinquency rate at the current, historically low rate will be challenging. FSA will continue to focus its efforts on maintaining the rate at the current level.

Mr. Aderholt: Have the number or percentage of direct loan delinquencies gone down over the past year?

Response: The direct loan delinquency rate has been constant at 5.4 percent for both FY2012 and FY2013.

Mr. Aderholt: What actions is FSA taking to better control the delinquencies? Is there still a need for improvement in the approval process or something else?

Response: FSA makes every effort, within its statutory and regulatory authorities, to collect loan payments. All loan servicing tools, from loan restructuring to the Treasury Offset Program, are used to service delinquent debt.

In the management of its farm loan program, FSA works towards achieving the appropriate balance between assisting beginning farmers and other producers who are unable to get credit from commercial lenders because of marginal cash flow, limited security, and past financial difficulties, while maintaining a sound loan portfolio and controlling costs to the Government. The first year delinquency rate on new loans was 4.3 percent in FY2013. FSA believes that a 95.7 percent on-time repayment rate on new loans indicates the current loan approval process is effective and has contributed to the lower delinquency rates achieved in recent years.

Contracting Activities

Mr. Aderholt: What criteria does FSA use to determine the use of firm fixed price contracts, time and materials contracts, and other related types of contractual arrangements?

Response: FSA's Acquisition Management Division, consistent with the March 4, 2009 Presidential Memorandum for the Heads of Executive Departments and Agencies (Government Contracting), understands the preference for fixed-price type contracts and only enters into time

and materials contracts, and other related types of contractual arrangements when circumstances do not allow the agency to define its requirements sufficiently to allow for a fixed-price type contract.

Immigrants, Immigration Policy and the Role of USDA Field Offices

Mr. Aderholt: As the House and Senate Committees debate potential changes to the Nation's immigration policy, the Secretary of Agriculture continues to make a push for a means to address labor shortages and the need for that labor to harvest crops, especially since immigrant populations typically fill many of the jobs. The House and Senate will take up legislation to address some of these challenges. Temporary worker programs are important for Agriculture. The federal government needs policies in place that encourage the flow of labor in and out of the country, legally. Any comprehensive immigration reform should allow an increase of H2A and H2B visas that reflect the needs of our industries, and especially expediting the process during agricultural seasons.

In regards to comments made by the Secretary in a speech to the North American Agricultural Journalists, he was quoted as saying that USDA could partner with the Department of Labor and local USDA offices could track the workers once they entered the United States.

Mr. Aderholt: Since the Secretary alluded to FSA as playing a major role in such an effort, please explain to the Subcommittee what the Secretary believes that role to be?

Response: Immigration reform is very important to farmers, farm workers and the nation's food supply. The new guest worker program proposed in the Senate bill (S.744) requires FSA to register potential employers, confirm employer status, assign employer identification numbers and provide technical assistance, and provides FSA with the authority to charge a fee to employers which will be used to fund these activities.

Mr. Aderholt: Does USDA believe that FSA could serve a role in tracking immigrants under the current make-up of staff and other resources available to those in the field? Specifically, would such an additional task take the field staff away from their primary responsibilities?

Response: FSA employees perform a variety of duties that support the agricultural industry. The Senate bill proposes that the Secretary monitor the movement of nonimmigrant agricultural workers. The expectation is that the Department of Labor and Homeland Security will manage and oversee enforcement functions. As consideration of legislative proposals continues, USDA will work to ensure that lawmakers have the necessary technical support to craft immigration reform legislation that benefits the agricultural industry.

Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)

Mr. Aderholt: The House Report accompanying the FY 2014 House Appropriation Bill (H.Rept. 112-542) clearly stated that the Committee viewed the MIDAS initiative as the top administrative priority for USDA and this position remains unchanged. The Committee remains concerned about the growing costs and lack of functionality of the system, and have again included report language requesting frequent briefings on the status of the system. In delivering vital mission-based services directly to farmers and ranchers, this program will likely represent the greatest efficiency improvement amongst any other streamlining effort at USDA.

After inclusion of the FY 2014 appropriation, Congress will have invested nearly $400 million in the timely and successful implementation of MIDAS. USDA's Chief Information Officer gave this project a 1 out of 5 score, with 1 being the worst and 5 being the best. FSA does not have a plan to retire legacy web farm applications and to stop the dual support model of both legacy web farm and MIDAS.

USDA announced the end to the current MIDAS project in July 2014 after the Business Partner module is complete.

How does USDA define MIDAS? Which activities fall under the definition of MIDAS and which activities fall under USDA's web farm in Kansas City?

Response: The MIDAS project has delivered a common system for a large part of FSA's core farm data through the farm records release (including geospatial integration and the national crop table) and will deliver the similar basic producer data through the business partner (BP) release. This backbone of integrated information and functionality will in turn be leveraged by other program-specific applications. The program-specific applications reside in USDA's Web Farm in Kansas City.

Mr. Aderholt: The Administration is proposing a decrease in base funding associated with the closure of offices and the elimination of personnel which is fully dependent upon the success of the MIDAS computer system in the field. How can you achieve these savings if your plan is based upon an IT system that is overdue and over budget and now incomplete?

Response: FSA has achieved operational efficiencies through the initial release of farm records through the MIDAS project. This first release integrated tabular farm record information with geospatial data and provides the land data needed for most farm programs administration. Additional operational efficiencies will be realized with the second deployment that includes customer data management functionality in December 2014.

Mr. Aderholt: Looking at the current timeline, when does USDA expect to replace or retire the current systems so that farmers and ranchers will be able to conduct most, if not all, of their interaction with USDA from their homes and/or offices?

Response: FSA will continue to deliver programs that strengthen the financial safety net while also serving as a gateway for farmers and ranchers to access federal farm programs and rural support services. FSA envisions that interactions with customers will be accomplished through the customer self-service portal (CSSP), by phone, email, or an in-person encounter with FSA. Customers will be able to provide basic information, initiate program sign-up, and obtain referrals to other agencies and a receipt for services rendered. FSA proposes that its customers can choose the method of doing business with FSA either remotely or in person.

Mr. Aderholt: When might FSA start to demonstrate measurable savings from the implementation of this system and future systems that were supposed to deliver what MIDAS promised to deliver?

Response: With the second MIDAS release in December 2014, the MIDAS product will be complete. FSA is currently developing an IT Roadmap to time phase future modernization initiatives.

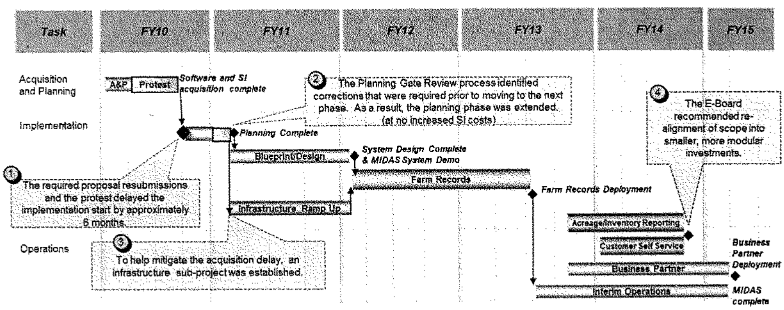
Mr. Aderholt: Provide a comprehensive overview of MIDAS implementation, including timelines, cost by fiscal year, appropriations by fiscal year, purchases (hardware/software), personnel (permanent, temporary, contract), travel, training, etc.

Response: The MIDAS investment was chartered in 2007 which initiated planning and acquisition activities. The System Integrator developed implementation plans and detailed requirements in 2010 and 2011. MIDAS began the solution implementation Realization Phase in 2012 and deployed the first release in April 2013. The Farm Records release includes visual consolidation of both land and producer information that both elevates customer service and drives efficiency into key FSA processes. A second major release, Business Partner, is planned for deployment in December 2014. Business Partner allows a producer to maintain their customer information in any FSA office; provides FSA employees with access to customer and program eligibility information from a single source and "point-of-entry" validations of address information, reducing later errors.

In June 2014, the Executive Information Technology Resources Investment Board (E-Board) recommended to FSA that any new Development, Modernization, and Enhancement activities on MIDAS per se cease following the release of the "Business Partner" functionality. Instead, the E-Board recommended that additional functionality, such as the ability of agricultural producers to interact with FSA on line, be developed separately in smaller, more modular, investments that reflect the current vision for FSA's role and opportunities to improve service, including provisions of the 2014 farm bill.

This information is provided for the record.

[The information follows:]



Appropriations and Cost by Fiscal Year

Funding, Obligations and Expenditures	Total	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
New Funding - S&E	$386.239	$3.211	$2.798	$2.663	$49.497	$26.333	$120.593	$86.674	$94.470
New Funding - ARRA	$19.000			$5.056	$13.944				
Carry Over Funding	$30.188			$0.000	$1.600	$23.667	$4.921	$0.000	$0.000
Total Funding Available	**$435.427**	**$3.211**	**$2.798**	**$7.719**	**$65.041**	**$50.000**	**$125.514**	**$86.674**	**$94.470**
Total Obligations	**$399.936**	**$3.211**	**$2.798**	**$6.119**	**$41.371**	**$45.078**	**$125.514**	**$85.995**	**$89.849**
Purchases	$65.732				$4.320	$2.475	$27.372	$15.172	$16.393
Personnel	$321.619	$3.211	$2.798	$5.963	$33.565	$41.886	$95.268	$66.638	$72.290
Training	$4.329				$1.333	$0.020	$0.025	$2.951	
Travel	$0.959				$0.005	$0.232	$0.584	$0.088	$0.049
Contracting Agency Fees	$7.297			$0.156	$2.147	$0.465	$2.265	$1.146	$1.117

Mr. Aderholt: Provide a copy of all vendor contracts for MIDAS implementation for the record.

Response: Due to the inclusion of non-public information in vendor contracts for MIDAS, FSA has compiled a summary listing of the information.

This information is provided for the record.

[The information follows:]

Vendor	Description of Service	Contract Number(s)	Total Contract Value *
Advantage Solution, Inc.	Integration of SAP ERP and ESRI GIS Commercial-off-the-Shelf (COTS) software	AG-3151-K-13-0017	$8.03
BearingPoint	SAP Gap Analysis, Acquisition Sizing Support, and Program Management Support	AG-3142-K-08-0047	$0.16
Booz Allen Hamilton	Interface development and application maintenance	GST0511BM0013	$16.26
Capgemini	Independent Verification and Validation	GSQFOBBPA-10-0003C0001 GST0011AJ0106 GST0012AJ0140	$13.86
CarahSoft	Software licenses and maintenance for SAP users and implementation tools, SAP training, SAP MaxAttention/MaxSecure services, integration of SAP ERP and ESRI GIS COTS software	AG-3142-D-09-0254 AG-3142-D-10-0131 AG-3142-K-10-0059 AG-3142-K-10-0163 AG-3142-K-10-0164 AG-3142-K-10-0239 AG-3142-K-11-0155 AG-3142-K-12-0261 AG-3142-K-13-0036 AG-3142-K-14-0036 AG-3151-D-11-0072 AG-3151-D-12-0012 AG-3151-D-12-0026 AG-3151-D-12-0047 AG-3151-K-10-0025 AG-3151-K-11-0036 AG-3151-K-14-0019	$37.22
Deloitte	Program management support and organizational change management	A0900010001 D11PB20008 D11PB20009 D12PB00466 D12PB00478 D13PB00236 D14PB00270 N10PB020006	$35.59

Vendor	Description of Service	Contract Number(s)	Total Contract Value *
Federal Aviation Administration	Independent assessment of security controls for Authorization to Operate (ATO)	ACIISSUSDA7118	$0.05
HewlettPackard	Database administration and management during operations and maintenance	AG-645S-D-08-0041	$0.17
MilVets Phacil	Independent testing of major releases and during operations and maintenance	AG3151D130094	$2.62
SAIC	Architecture and design for Customer Self-Service capabilities	GS00Q09BGD0048	$0.81
SRA International	System integration, service operations and technical support during operations and maintenance	GSQ0014AJ0005 GST0012AJ0044 GST0013AJ0110 GSTFMGBPA100001CO01A GSTFMGBPA100001CO01 GSTFMGBPA10001CO02 GSTFMGBPA10001CO02A	$194.15
Top Office Personnel	Acquisition support	AG-645S-D-09-0013	$0.01
Torres	Lean Six Sigma re-engineering, program management support	AG-3151-C-07-0040 AG-645S-C-09-0011 AG-645S-P-09-0049 GS00T10AJC0009 GS00T10AJC0010	$9.92
Waterman	Project management support	AG-3151-C-08-0003	$2.71

* Dollars expressed in millions

Mr. Aderholt: How much is needed in fiscal year 2015 for operation and maintenance of the MIDAS system?

Response: The fiscal year 2015 President's Budget includes $65M for the MIDAS system, allocated to the completion of the Business Partner release and operations and maintenance of the MIDAS system. Specific allocations will be finalized through the approval of the MIDAS re-baseline.

Mr. Aderholt: What are the out-year costs to maintain MIDAS?

Response: FSA estimates fund MIDAS operations and maintenance at $50M in out-years. This estimate is subject to refinement following approval of the MIDAS re-baseline.

Mr. Aderholt: What is the total amount of spending by USDA on all activities related to both MIDAS and all other IT activities related to delivering farm programs for fiscal years 2010 through 2014?

Response: The table below reflects the amount (in millions) of FSA spending for MIDAS and all other Farm Programs IT delivery activities for the requested years.

[The information follows:]

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Non-MIDAS Farm Program Delivery Costs (in $m)	$48.535 *	$48.250	$42.670	$47.412	$58.81*	$245.68
MIDAS Farm Program Delivery Costs (in $m)	$41.374	$45.079	$125.514	$86.00	$123.47	$421.43

*Inclusive of Farm Bill implementation funding authorized by Sections 1622 and 1614 of the 2008 and 2014 Farm Bills respectively.

Mr. Aderholt: How much has USDA spent on the operations and maintenance costs for non-MIDAS IT activities related to delivering farm programs for fiscal years 2010 through 2014?

Response: FSA's Farm Program delivery services and applications require ongoing operations and maintenance to support changes to program legislation, business requirements, and technology for Farm Program delivery systems. Working within the enacted budget, FSA prioritizes spending for these mandatory operational upgrades against priority development needs based upon business need and program cycles. This spending is above the baseline costs FSA pays service providers OCIO ITS to obtain infrastructure services such as enterprise telecommunications and end user support.

Mr. Aderholt: How much has USDA spent on development of non-MIDAS IT activities related to delivering farm programs for fiscal years 2010 through 2014?

Response: For the time period 2010 to 2014, FSA's non-MIDAS development priority was implementation of the 2008 and 2014 Farm Bills and migration of AS400/S36 business processes to modern technology to meet required business delivery cycles. While the Farm Bills authorized funding for implementation, FSA prioritized funding within the enacted budget to address modernization of AS400/S36 business processes. This information is provided for the record.

[The information follows:]

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (est.)
Farm Bill Delivery Costs in $M	$7.53	$0.00	$0.00	$0.00	$14.40
AS400 Retirement Costs in $M 1/	$3.96	$8.76	$8.23	$5.55	$2.242.236

1/ Reflects actual contract costs for SW development and estimated allocation of infrastructure support costs for data management and independent testing.

Mr. Aderholt: Please provide a list of USDA officials involved in managing MIDAS and non-MIDAS IT activities between fiscal years 2010 and 2014. Please include management officials in Washington, D.C., Kansas City, and elsewhere.

Response: FSA has an Information Resource Management Review Board (IRMRB) comprised of FSA's Executive Leadership Committee. The Associate Administrator for Operations & Management is the Chairman and other voting members are the FSA Deputy Administrators, CIO and CFO. Investment and funding decisions (MIDAS and non-MIDAS) are evaluated and prioritized according to the business needs (mission and operational), and how effectively and efficiently the investment addresses them, e.g., cost, strategic alignment to USDA and OMB initiatives, viability of risk management plan, and what alternative options are available and feasible.

This information is provided for the record.

[The information follows:]

Administrator	Coppess, Jonathan (Jul 2009 – Feb 2011) Dolcini, Val (March 2011 – Jun 2011) Nelson, Bruce (Jul 2011 – Jun 2012) Garcia, Juan (Jul 2012 – Sep 2014) Dolcini, Val (September 2014 – Present)
Associate Administrator, Operations & Management	Cooksie, Carolyn (Apr 2010- Sep 2012) Thompson, Candy (Dec 2012 – present)
Deputy Administrator, Commodity Operations	Monahan, Jim (Sep 2009 – Sep 2014) Wood, Sandra (Sep 2014- present)*

Deputy Administrator, Farm Loan Program	Beyerhelm, Chris (May 2010 – present)
Deputy Administrator, Farm Programs	Willis, Brandon (Aug 2009 – April 2011) Garcia, Juan (May 2011 – Jul 2012) Schmidt, Michael (Mar 2013 – present)
Deputy Administrator, Field Operations	Gutter, Karis (Oct 2009 – 2010) Wooden, Mike (Nov 2010 – Jun 2012) Berge, John (2012 – May 2013) Diephouse, Greg (Jun 2013 – present)
Deputy Administrator, Management	Short, Philip (Jan 2009 – Nov 2012) Rucker, Mark (Dec 2012 – present)
FSA Chief Information Officer	Gwinn, Jim (Dec 2008 – Mar 2014) Burns, Loretta (Mar 2014 – present) *
FSA Chief Financial Officer	Valentine, Ricky (March 2010 – Jan 2012) Ward, Bruce (Feb 2012 – May 2014) Ware, Heidi (May 2014 – present) *

* acting

The Senior Management Oversight Committee (SMOC), chaired by the Under Secretary, Farm and Foreign Agriculture Service, provides Departmental oversight and support for the MIDAS program. The voting members are USDA Chief Information Officer, USDA Chief Financial Officer, and FSA Administrator. Non-voting members are FSA Chief Information Officer, Associate Chief Information Officer -MIDAS Program Executive, MIDAS Program Director, FSA Chief Financial Officer, and FSA's Deputy Administrator for Farm Programs.

Under Secretary, Farm and Foreign Agriculture Service	Scuse, Michael (May 2012 – present)
USDA Chief Information Officer	Smith, Chris (Jan 2008 – Apr 2012) Cook, Cheryl (Apr 2012 – present)
USDA Chief Financial Officer	Holladay, Jon (2009 – present) *
FSA Administrator	Coppess, Jonathan (Jul 2009 – Feb 2011) Dolcini, Val (Feb 2011 – Jul 2011) Nelson, Bruce (Jul 2011 – Jul 2012) Garcia, Juan (Jul 2012 – Sep 2014 Dolcini, Val (Sep 2014 – present)
FSA Chief Information Officer	Gwinn, Jim (Dec 2008 – Mar 2014) Burns, Loretta (Mar 2014 – present) *
FSA Chief Financial Officer	Valentine, Ricky (March 2010 – Jan 2012) Ward, Bruce (Feb 2012 – May 2014) Ware, Heidi (May 2014 – present) *
Deputy Administrator, Farm Programs	Willis, Brandon (Aug 2009 – April 2011) Garcia, Juan (May 2011 – Jul 2012) Schmidt, Michael (Mar 2013 – present)
MIDAS Program Executive	Chasteen, Taylor (Feb 2011 – Jan 2014) Alboum, Jonathan (May 2014 – present)
MIDAS Program Director	Hanley, Patrick (2007 – Nov 2010) Allison, Amy (Nov 2011 – May 2014) Gross, Tonye (May 2014 – present) *

* acting

Office Closings and County Office Staff Reductions

Mr. Aderholt: The Department's proposal to close 250 FSA county offices and also eliminate 815 non-federal staff is a concern for the Subcommittee. County employees connect farmers and ranchers with vital agriculture programs.

How did FSA determine which offices should close? Is FSA conducting some type of workload assessment or selecting offices by physical location?

Response: No office closure plan has been approved at this time and the Agency has not developed a list of specific offices to close. Over the last several fiscal years, cuts to FSA's salaries and expenses appropriations have led to significant reductions in staffing levels and administrative spending. FSA has eliminated more than 1,500 temporary employee positions and reduced its permanent staff level by nearly 20 percent over the last four years through voluntary early retirement and buyout programs. As a result, many FSA offices are inadequately staffed. FSA is working to more strategically locate and structure its workforce. Part of this office modernization effort will include the new Model Service Delivery concept. The goal of this concept is to look at the agencies county office footprint and reposition the agency's available resources to optimally align them with workload needs. The concept will take into account workload, location, office staffing structures, and customer needs. This approach is not fully developed, however, and it is premature to speculate on the relevant data and information that will be used to establish the decision-making process for which offices to close.

Mr. Aderholt: Why weren't these offices part of your consolidation plan two years ago?

Response: The 2008 Farm Bill generally prohibited FSA from closing any office for two years. After this two year period, any offices consolidated first were required to be located less than 20 miles from another office and to havetwo or fewer permanent employees. During 2012, as part of the Blueprint for Stronger Service and as a result of budget reductions, FSA adhered to these limitations when consolidating 125 offices nationwide. During the process, FSA reviewed and considered all public comments and Congressional feedback, and carefully examined data relevant to the decision-making process of offices meeting these criteria, at that time. Public meetings were held in all counties where an office was proposed to be closed. As a result of continued declining operating budgets and workforce reductions during the budget development process for FY 2015, FSA conducted a preliminary analysis and review of its current service delivery structure that identified supplementary offices that meet either both or at least one of the sets of Farm Bill criteria for consolidation in that they are located within 20 miles of each other or are staffed by 2 or fewer permanent employees. From this preliminary analysis, the agency estimated that there is the potential to consolidate approximately 250 offices.

Mr. Aderholt: The farm bill includes some new, complex programs that must be implemented by the Farm Service Agency. At the same time, your budget proposes savings of $61.6 million and the elimination of 815 non-federal staff. How did you arrive at this number of non-federal, non-unionized staff and how did you arrive at the amount of savings?

Response: Over the last four years, FSA's administrative expenses appropriation has been anywhere from 10 percent to 20 percent below the President's Budget request and the overall reduction in actual appropriated funding from FY 2010 to FY 2013 was 23 percent. In order to maintain acceptable levels of customer service FSA reviewed all avenues to reduce operating costs using streamlining processes and administrative efficiencies. However, because personnel and rent costs make up approximately 70 percent of FSA's administrative budget, and IT

operations and maintenance make up another 25 percent? There is very little opportunity to make up the levels of reduction we were faced with in our discretionary operating expenses. The impact of the farm bill was not fully known when the FY 2015 budget request was being finalized. With the information available to FSA at the time, an operating plan was developed that attempted to balance operational needs, IT modernizations, and customer service. The full year cost savings from the salaries and benefits of 815 non-federal staff equated to #61.6 million.

Mr. Aderholt: How do you intend to reduce staff (lay-offs, voluntary buy-outs, etc.)?

Response: FSA has made reductions in staff through a hiring freeze that was initially implemented in December 2012 (FY2013) and continued into FY2014. In addition, FSA used voluntary early retirement and buyout programs such as VERA/VSIP authority in October/November 2013 (FY2014) to reduce staffing.

Mr. Aderholt: Do you believe this is the right time to eliminate these folks in the county offices?

Response: The Model Service Center concept provides an opportunity to achieve cost savings, create a better workplace and ensure quality customer service by repositioning the FSA workforce and restructuring the FSA county office footprint. The focus is on realigning resources based on the volume of work, not eliminating employees, at the right time.

FSA's Management of the Farm Storage Facility Loan Program

Mr. Aderholt: OIG took a sample of loans and reviewed how FSA approved and processed 30 loans (totaling $4.89 million), as well as how the agency serviced 10 delinquent loans (totaling $728,078). OIG found that FSA county employees did not always process, approve, and service these loans according to the agency's policies and procedures. These errors resulted in $2.2 million in unsupported disbursements.

In July of last year, OIG audited the Farm Storage Facility Loan Program to see if FSA field offices were following the necessary policies and procedures to ensure that this program was operated with minimal risk. In the 30 loans sampled, OIG found that 25 or 83 percent had errors, including:

- The agency approving loans without having documentation on file to support the borrower's eligibility;
- Making obligations that exceeded allowable amounts, and,
- Disbursing loans without sufficient documentation to support final facility costs or adequate release of liability.

Mr. Aderholt: What corrective actions has FSA taken to strengthen the oversight and accountability of the program?

Response: FSA has verified that all OIG corrective actions issued to State and County Offices were completed and resolved all OIG findings of FSFL disbursements made without supporting documentation. No FSFL demand or collection was needed, and OIG Audit 03601-0001-32 was successfully closed. FSA completed the following corrective actions:

- Amended the CCC-195 Checklist used for FSFL processing to incorporate additional policy to assist with OIG findings.
- Developed and issued a FSFL Notice to include the new CCC-195 Servicing Checklist which is used by State and County Offices to ensure that all outstanding FSFL's are properly serviced.
- Issued handbook amendments and FSFL notices to State and County Offices to further clarify eligibility and security requirements.
- To improve FSA employees' skills at approving, processing, and servicing FSFL's, a mandatory Web-based AgLearn Farm Storage Facility Loan (FSFL) Training was provided to all FSA employees that administer the program.
- The National Office will annually conduct random State and County Office Annual FSFL Policy Reviews.
- Issue a FSFL Notice to provide common errors discovered during the State and County Office Annual FSFL Policy Reviews.
- Issue corrective action plans to applicable State and County Offices to correct discovered State and County Office Annual FSFL Policy Review errors.

Mr. Aderholt: Has the Agency reconsidered changing this program to a guaranteed program? If so, what would be the change in cost and loan availability?

Response: current laws do not authorize the Farm Storage Facility Loan Program to be delivered as a guaranteed loan program.

Conservation Reserve Program (CRP)

Mr. Aderholt: Please provide FSA's analysis of the cost of administering the Conservation Reserve Program

Response: FSA uses several methodologies to analyze costs for its various programs. Before 2007, administrative costs were determined using a workload system that took into consideration the hours per contract and application completed by the county employees and a percentage basis of the total program time was used for calculation of the Federal employee's hours and cost. Beginning in 2008, FSA has been moving towards a cost modeling system that uses the departments WebTA time and attendance system to get employee hours and costs by program, the FMMI general ledger that gives FSA salary and other administrative costs, and units from FSA program applications. The data then is fed into the Profitability and Cost Management (PCM) tool (SAP, Business Objects modeling tool) to give FSA both direct and fully allocated per unit data for each program. This methodology is still being refined and we have limited data for 2011 with improved cost per unit data for 2012 and 2013. This data allows us to compare various areas for efficiencies for cost effectiveness. Future enhancements will bring program dollars into the calculations to give us additional functionality and data for review.

For 2013, report data provided uses direct (salary and benefit) costs since at this point it is the most accurate data available.

Mr. Aderholt: Please provide a table showing the cost of administering CRP for the past five fiscal years as well as the estimated cost of operating the program in fiscal years 2014 and 2015.

Response: This information is provided for the record.

[The information follows:]

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
$35,177,312	$46,992,523	$64,737,773	$61,397,348	$55,030,058	$49,981,079	$56,037,192

1/ Information provided for historical years was for State and County Office CRP activity only and does not include Headquarters cost as do the FY 2011 through FY 2015 costs. FY 2015 includes estimated (salary & benefits) costs for the Grasslands CRP program with enrollment of up to 2 million acres allowed by the 2014 Farm Bill.

The cost for other fiscal years provided is for direct (salary & benefit) costs only and not fully allocated cost which can be provided with additional time.

Mr. Aderholt: How much does it cost to conduct a general sign up?

Response: In FY 2013, the direct (salary & benefits) cost of a General Sign Up was $7,077,277.

Mr. Aderholt: How much does it cost to administer continuous sign ups?

Response: In FY 2013, the direct (salary and benefit) cost of Continuous Sign Up was $5,439,969.

Mr. Aderholt: How much is required to administer the Conservation Reserve Enhancement Program (CREP)?

Response: Conservation Reserve Enhancement Program (CREP) is part of the Continuous Conservation Reserve Program. Direct (salary and benefit) costs required to administer CREP for FY 2013 was $2,887,432.

Mr. Aderholt: Please provide a list of current CREP agreements, including state, purpose, cost and cost-share amounts.

Response: This information is provided for the record.

[The information follows:]

CREP State/ Date Signed	Total Project Cost (Est. $ Millions)	
	USDA	STATE/LOCAL
AR I - Bayou Meto 12/07/2001 – Primary purpose is water quality	$8.5	$1.7
AR II - Cache River / Bayou DeView Watershed 01/19/2007 – Primary purpose is wildlife	7.1	2.3
AR III - Illinois River 01/15/2009 – Primary purpose is water quality	19.0	6.0
CA - 01/18/2001 ***NO NEW CONTRACTS AFTER 12/31/2007***– Primary purpose is water quality	*19.0*	*5.0*
CO I - Republican River 04/21/2006 – Primary purpose is water savings	52.8	13.5
CO II - High Plains 04/21/2006 – Primary purpose is water quality	19.9	5.4
CO III - Rio Grande Basin – Primary purpose is water quality	125.0	25.0
DE - 06/02/1999 – Primary purpose is water quality	8.0	2.0
FL - Everglades, and St. Johns Ocklawaha-Indian River Lagoon System 10/28/02 – Primary purpose is water quality ***NO NEW CONTRACTS AFTER 12/31/2007***	*96.0*	*57.0*
HI - 01/15/2009 – Primary purpose is water quality	53.6	13.4
IA - 08/17/2001 – Primary purpose is water quality	30.0	7.5
ID - Eastern Snake River Plain Aquifer 05/18/2006 – Primary purpose is water savings	183.0	75.0
IL - 03/30/1998 – Primary purpose is water quality	262.0	60.0
IN - 07/08/2005 – Primary purpose is water quality	14.6	5.6
KS - Upper Arkansas River 12/06/2007 – Primary purpose is water savings	18.2	4.5
KY - Green River 08/29/2001 – Primary purpose is water quality	88.0	22.0
LA - Lower Ouachita River Basin 04/22/2005 – Primary purpose is water quality	55.0	45.0
LA II - Coastal Prairie 02/04/11 -- Signup began 03/14/2011 – Primary purpose is water quality	18.0	7.7
MD - 10/20/1997 – Primary purpose is water quality	170.0	25.0
MI - 09/14/2000 – Primary purpose is water quality	130.0	35.0
MN I - MN River 02/19/1998 ***NO NEW CONTRACTS AFTER 12/31/2007*** – Primary purpose is water quality	*163.0*	*60.0*
MN II - Mississippi River Sub Project 04/22/2005 ***NO NEW CONTRACTS AFTER 12/31/2007*** – Primary purpose is water quality	*200.0*	*50.0*
MO - 09/15/2000 – Primary purpose is water quality	66.0	17.0
MT - Missouri / Madison 09/10/02 – Primary purpose is water quality	41.0	16.0
NC - 03/01/1999 – Primary purpose is water quality	221.0	54.0
ND - 01/05/2001 – Primary purpose is wildlife	11.0	4.0
NE I - Central Basins Resources Project in central and eastern NE. 12/11/02 – Primary purpose is water quality ***NO NEW CONTRACTS AFTER 4/23/2013***	*143.0*	*66.0*
NE II- Platte Republican Resources Area 03/19/2005 – Primary purpose is water savings	122.0	36.0
NJ - Whole State 02/03/04 – Primary purpose is water quality	77.0	23.0

CREP State/ Date Signed	Total Project Cost (Est. $ Millions)	
	USDA	STATE/LOCAL
NY I - NY City / Catskill 08/26/1998 – Primary purpose is water quality	8.0	3.0
NY II - Syracuse 12/07/2001 – Primary purpose is water quality	0.7	0.2
NY III - Statewide 10/29/03 – Primary purpose is water quality	60.0	15.0
OH II - Upper Big Walnut 04/19/2002 – Primary purpose is water quality	8.4	4.8
OH I - Lake Erie 04/18/2000 – Primary purpose is water quality	167.0	34.0
OH III – Sciotto River Basin 10/18/2004 – Primary purpose is water quality	151.3	56.0
OK - Spavinaw Lake & IL River/Lake Tenkiller Watersheds 04/23/2007 – Primary purpose is water quality	16.5	4.1
OR - 10/17/1998 – Primary purpose is water quality	200.0	50.0
PA I - Chesapeake 04/13/2000 – Primary purpose is water quality	129.0	71.0
PA II - Ohio River Basin 03/22/2004 – Primary purpose is water quality	99.0	46.7
SD - James River 10/23/09 – Primary purpose is wildlife	120.80	40.60
VA I - Southern Rivers 03/08/2000 – Primary purpose is water quality	87.4	35.0
VA II - Chesapeake Bay 03/08/2000 – Primary purpose is water quality	48.5	19.0
VT - Lake Champlain Basin and CT River Basin 09/24/2001 – Primary purpose is water quality	85.0	3.7
WA - 10/19/1998 – Primary purpose is water quality	199.0	42.0
WI - 10/26/2001 – Primary purpose is water quality	174.0	43.0
WV - 4/19/2002 – Primary purpose is water quality	25.0	5.0
TOTAL	$4,001	$1,217

Mr. Aderholt: Please list the conservation priority areas designated by the Secretary. Include those listed in statute.

Response: There are currently five National CRP Conservation Priority Areas (CPA) designated: Chesapeake Bay, Great Lakes, Long Island Sound, Longleaf Pine, and Prairie Pothole.

Mr. Aderholt: How many acres currently are enrolled in the Emergency Forestry CRP? Where are they located, and how much funding has been allocated to the program?

Response: A total of $60,134,035 has been spent so far. Nearly 230,000 acres were enrolled in the Emergency Forestry Conservation Reserve Program (EFCRP). Funding is generally allocated on a year-by-year basis to obligate for payments due in the next fiscal year (for already approved contracts and any errors, omissions or appeals). In fiscal year 2013, EFCRP had just under $6 million in outlays.

This information is provided for the record.

[The information follows:]

State	EFCRP Acres Currently Enrolled
Alabama	25,894.0
Florida	5,485.5
Louisiana	8,312.1
Mississippi	179,818.3
Texas	8,140.1
TOTAL:	227,649.0

Mr. Aderholt: How many acres currently are enrolled in the Pilot Program for Enrollment of Wetland and Buffer Acreage in CRP? Where are they located, and how much funding has been allocated to the pilot program?

Response: Currently (April 2014) approximately 341,000 acres are enrolled. The total cost over the 15-year contract period is estimated to be $648 million. The table below shows the breakdown by state.

[The information follows:]

FARMABLE WETLAND PROGRAM AS OF APRIL 2014

STATE	ACRES	OBLIGATIONS
ALABAMA	14	$13,872
ARKANSAS	2,198	$4,755,356
COLORADO	157	$145,401
IDAHO	6	$8,546
ILLINOIS	634	$1,978,272
INDIANA	990	$2,418,179
IOWA	77,242	$222,368,616
KANSAS	1,982	$2,066,683
LOUISIANA	3,325	$6,906,509
MARYLAND	5	$9,048
MICHIGAN	77	$147,384
MINNESOTA	51,004	$100,403,273
MISSISSIPPI	10,914	$23,829,689
MISSOURI	215	$385,988
MONTANA	328	$220,883
NEBRASKA	3,897	$6,152,901
NORTH CAROLINA	58	$97,409
NORTH DAKOTA	96,163	$124,269,255
OHIO	250	$640,570
OKLAHOMA	169	$184,209
SOUTH DAKOTA	90,858	$150,443,154
WASHINGTON	5	$9,182
WISCONSIN	59	$160,149
	340,550	$647,614,528

Mr. Aderholt: How many CRP contracts and acres were terminated early in fiscal years 2012, 2013 and 2014 to date?

Response: CRP acres that were terminated before scheduled expiration are as follows:

2012 233,000 acres
2013 170,000 acres
2014 115,000 acres (as of April)

Mr. Aderholt: How many landowners participated in the transition option for beginning and socially disadvantaged farmers and ranchers in fiscal years 2012, 2013 and 2014 to date? How many acres were involved, and how much funding has been allocated to the program by fiscal year?

Response: During the two payment cycles (October 2011 and October 2012) to date approximately 1,719 contracts and 280,000 acres have been enrolled for Transition Incentive Payments.

Approximately 1,719 beginning or socially disadvantaged (SDA) farmers or ranchers have benefited by TIP, enabling them to farm the land that was previously enrolled in CRP. TIP was provided $33 million in the 2014 farm bill and signup has only recently begun.

Summary of the TIP program reflecting number of TIP contracts, acreage, and obligations per State, is provided for the record.

[The information follows:]

TIP Enrollment Activity

State Name	Contracts	TIP Acres	Contract Obligations
Alabama	29	1,458	$169,978
Alaska	2	747	50,042
Colorado	18	4,709	305,902
Idaho	36	7,573	875,694
Illinois	2	264	48,036
Iowa	86	5,775	1,231,050
Kansas	227	37,688	2,895,760
Kentucky	67	4,504	592,436
Michigan	4	314	30,718
Minnesota	118	16,313	1,418,526
Mississippi	13	1,974	160,110
Missouri	105	8,653	1,129,888
Montana	212	55,529	3,885,262
Nebraska	152	15,743	2,064,812
New Mexico	70	20,374	1,289,210
North Dakota	397	68,697	4,623,682
Ohio	8	327	68,490
Oklahoma	10	2,644	144,058

State Name	Contracts	TIP Acres	Contract Obligations
Oregon	8	2,256	223,150
Pennsylvania	34	1,455	234,858
South Dakota	20	3,676	222,344
Tennessee	10	429	40,462
Texas	50	9,354	665,598
Washington	7	1,686	172,204
Wisconsin	29	1,300	204,042
Wyoming	5	2,168	122,062
Total	**1,719**	**275,608**	**$22,868,374**

Mr. Aderholt: How many staff is dedicated to operating CRP? How many FTE work on CRP?

Response: Across FSA, employees are required to work on multiple programs so very few staff members are strictly dedicated to CRP operations. Currently, FSA only has 5 FTEs dedicated to CRP operations. For FY 2013 however, the work completed for CRP required the equivalent of 718 direct (salary and benefit) FTE's.

Mr. Aderholt: What are FSA's other conservation programs?

Response: The information is provided for the record.

[The information follows]

- The Source Water Protection Program (SWPP) is a joint project with the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) and the National Rural Water Association (NRWA), a non-profit water and wastewater utility membership organization. The SWPP is designed to help prevent pollution of surface and ground water used as the primary source of drinking water by rural residents.

- The Emergency Conservation Program (ECP) provides funding and technical assistance for farmers and ranchers to restore farmland damaged by natural disasters and for emergency water conservation measures in severe droughts.

- The Emergency Forest Restoration Program (EFRP), which is very similar to the ECP, provides funding to restore privately owned forests damaged by natural disasters.

Mr. Aderholt: How much does it cost to operate the other conservation programs?

Response: The direct (salary and benefit) cost to operate the other conservations programs in FY 2013 are provided for the record below.

[The information follows:]

Emergency Forest Restoration Program	Biomass Crop Assistance Program	Grassland Reserve Program	Emergency Conservation Program
$630,426	$496,405	$1,150,200	$5,575,935

NOTE: Operation costs for Source Water Protection Program (SWPP) are minimal.

Mr. Aderholt: Since land enrolled through the continuous program receives higher rental rates than land enrolled through general sign ups, how much of CRP's funding baseline is directed to it?

Response: The FY 2015 budget baseline projects $786 million for continuous signup financial assistance in FY 2015, about 43 percent of total financial assistance.

Mr. Aderholt: How much funding is set aside for the highly erodible land initiative?

Response: While specific sums are not set aside for the Highly Erodible Land (HEL) initiative, FSA allocates acreage allotments and goals, and takes into consideration the 750,000-acre-allocation for the initiative when accepting lands in general signup and expanding or developing other initiatives. Lands enrolled under this initiative are expected to have a similar cost to those enrolled under general signup and provide large reductions in soil erosion.

Mr. Aderholt: How much funding is set aside for the grassland and wetland habitat initiative?

Response: No specific sums are set aside for this initiative, but FSA takes into consideration the allocations for the various initiatives when accepting lands in general signup and expanding or developing other initiatives. This initiative, announced by the Secretary in March 2012, is funded through the Conservation Reserve Program (CRP) apportionment under the CRP continuous signup. The initiative increased acreage allocations for certain important conservation practices by 1,000,000 acres. These practice allocation increases expanded potential enrollment for wetland restoration practices, practices under the State Acres for Wildlife Enhancement (SAFE), duck nesting habitat practices, upland bird habitat buffer practices and created a new acreage allocation for a continuous pollinator practice.

Mr. Aderholt: Why does USDA have to pay more for land enrolled through continuous sign ups?

Response: Continuous signup targets environmentally sensitive land, such as agricultural land prone to erosion, pasture or agricultural land that borders river or stream banks, wetlands, or field margins. These lands cost more to enroll for a few reasons:

- A high proportion of continuous signup lands are located in states where cropland rents are high, such as Iowa and Illinois, which account for 19 percent of total continuous signup acres. By contrast, they account for only 5 percent of overall enrollment.

- Continuous signup practices are predominantly small parcels of land carved out of existing fields. There is more up-front time invested by landowners in designing and implementing continuous practices than for general signup practices. For example, for a riparian buffer, it must be determined where exactly on the landscape the practice will be established, which water bodies to buffer, how wide of a buffer is needed, etc. In comparison, a typical whole-field enrollment only requires a decision on the cover type.

The 2008 Farm Bill provided $100 million for CRP mid-contract forest-management practices, including thinning and prescribed fire. The purpose was to improve wildlife habitat on CRP acres planted to softwood pines.

Mr. Aderholt: How much funding has been dedicated to these purposes?

Response: Since 2008, approximately $7.6 million has been spent on forest stand improvement, prescribed burning and thinning. The 2014 Farm Bill eliminated the cost-share provision and added a new incentive, authorizing up to for $10 million in incentive payments.

Mr. Aderholt: What actions has USDA taken to educate, provide incentives, and otherwise encourage forest management practices?

Response: Since the mid-1990s, FSA has been working with the southern forestry and wildlife communities to encourage greater application of customary forest management activities, such as thinning and prescribed burning, occurring on lands enrolled in the Conservation Reserve Program (CRP) to enhance soil, water, and wildlife benefits. Generally, this has taken the form of extending FSA capability by engaging in partnerships with State forestry agencies, State fish and wildlife agencies, and non-governmental organizations that provide additional outreach and assistance to producers and landowners. For example, technical assistance is provided by wildlife biologists in the Georgia Department of Natural Resources/Wildlife Resources Division to CRP participants enrolled in Georgia's Bobwhite Quail Initiative. This combined effort encourages more tree thinning and prescribed burning that would not have occurred through CRP assistance alone.

FSA has also worked with the National Institute of Food and Agriculture, other USDA agencies, land grant universities, and the forestry community to highlight the economic benefit of reduced tree planting densities at establishment, thinning more trees per acre (particularly during the second thinning), and prescribed burning at frequent intervals to benefit those species dependent on pine savannah type habitat.
CRP cost share and incentive payments have proven effective in establishing CRP conservation covers. CRP financial incentives include payments made available at contract signing and practice installation.

Mr. Aderholt: What barriers has USDA encountered in trying to meet congressional intent?

Response: Once established, to retain or enhance soil, water, and wildlife benefits derived from land enrolled in CRP, conservation covers must be managed. CRP pines customary forest management activities generally include judicious use of tree thinning and prescribed burning. Most tree thinning on private land is done when individual trees within a forest stand attain commercial value. In the South this generally occurs around age 15 of the stand. As trees continue

to grow they generally gain in product value. CRP participant willingness to sell timber is based not only on CRP contract compliance but also on the timber value of the CRP trees. However, sometimes this can be counterproductive since wildlife habitat enhancement is also a primary objective of CRP. CRP contracts require a management activity at least once during the contract and for new CRP forest practice enrollments to meet wildlife objectives, this management should occur about the time of crown closure, when tree canopies grow together and shade out ground vegetation, negatively impacting wildlife habitat. Thinning or prescribed burning the stand at this time will open up the forest and allow sunlight to reach the forest floor stimulating grass and forb growth. But the trees have yet to reach commercial size, so the CRP participant must pay a vendor to do the work, and prescribed burning at such an early age within the forest stand could cause tree mortality and depending on site conditions, fuel moisture, wind and humidity the day of the prescribed burn could result in fires escaping containment resulting in liability concerns associated with adjoining property damage. The lack of local forest product markets and qualified vendors to do the work also limits accomplishments. History has proven that CRP cost share alone has failed to provide the level of activity desired by congressional intent.

Mr. Aderholt: Are current cost share incentives sufficient to encourage significant increases in management of CRP pines?

Response: USDA is in the process of determining an appropriate level of incentives sufficient to increase management of CRP pines, meet congressional intent, and be a proper steward of public funds available for this purpose. USDA will implement the incentives after completion of the required NEPA document and publication of the CRP final regulation.

OIG's Audit of FSA's Conservation Reserve Program

Mr. Aderholt: In July of 2012, USDA's OIG released an audit that assessed the reasonableness of the soil rental rates that it pays producers who enter into contracts for the Conservation Reserve Program. Currently, this program enrolls about 26 million acres of land – acres that are rented out by USDA according to soil rental rates. OIG found numerous problems with how FSA calculated the rental rates. They found a number of problems and concluded that the process for determining the value of contracts could be improved and questioned the accuracy of $140 million paid to producers.

Mr. Aderholt: What steps is FSA taking on a systematic basis to ensure the accuracy of soil rental payments, including the implementation of stronger management controls in the process?

Response: FSA has made management decisions on all of the OIG recommendations in their July 2012 Audit Report and the subject audit were closed in its entirety in November 2012. As needed, FSA reviews the soil rental rates (SRR) for CRP to ensure they are set at a level that helps achieve program goals under current market conditions and works closely with NRCS to utilize the most relevant productivity factors for individual soil rental rates, and in the future may more widely utilize the National Commodity Crop Productivity Index (NCCPI) as it is more thoroughly vetted.

Since 2008, Congress has required National Agricultural Statistics Service (NASS) to complete an annual dry-land cash rent survey. However, in 2014, Congress changed this requirement to be no less than every other year. FSA uses the NASS survey as a basis for setting CRP SRR and in most cases sets the county average rates using the NASS value (plus a 10 percent adjustment to reflect inflation during the period of the contract).

The 2013 SRR were established based on a systematic review of the most recent NASS survey of dry-land cash rental rates and additional supporting documentation where justified. These rates may be higher or lower than previous years.

The NASS rates are often the best available information, but FSA recognizes that there is still variability in the data that can cause local anomalies. While the rates will be fixed for the current sign-up, FSA sees this as an iterative process that will continue to improve with more data and each soil rental rate review.

Additionally, where local FSA offices felt NASS rates did not represent the dry-land rates in their area, they were given the opportunity to propose an alternative rate. These proposals mainly came from parts of the country where share rent is more common than cash rent, or where few people responded to the survey.

Mr. Aderholt: Does FSA have any plans to modify any existing contracts or will changes only impact future CRP sign ups?

Response: FSA does not plan to modify any existing contracts and any changes will only affect future CRP enrollments.

Transitioning Borrowers to Private Credit

Mr. Aderholt: Please provide the Subcommittee with a status of the Final Rule implementing the graduation provisions of the 2008 Farm Bill that became effective in February 2011. Specifically, how many FSA Farm Loan Program (FLP) borrowers transitioned to private credit? What might FSA do to increase this rate?

Response: At the time the 2008 Farm Bill passed, FSA already had in place regulations governing graduation (7 CFR §765.101). The existing regulations prescribe a systematic process for review of borrower accounts for graduation to commercial credit based upon an objective evaluation of a borrower's finances and local credit availability. When an FSA borrower's finances meet the credit standards established by local lenders, FSA sends a prospectus, including the borrower's financial statement, to area lenders asking if they would be willing to make a loan to refinance the FSA debt. The nature of the programs and farm business operations make it difficult to track exactly how many borrowers move to commercial credit. For example, over half of the operating loans are made for annual production purposes; a borrower may pay a loan in full at harvest and obtain commercial credit the following year, and FSA may not be aware of the commercial financing. However, FSA does monitor the turnover of borrowers in the portfolio. The data indicate that few borrowers spend an extended period of time in the direct loan portfolio. As of March 31, 2013, only 14 percent of the direct operating loan borrowers had been in the portfolio since September 30, 2000, and only 30 percent had been in the portfolio since September 30, 2006. In Direct Farm Ownership loan portfolio, only 29 percent of the borrowers had been in the portfolio since September 30, 2000. These turnover rates indicate that the vast majority of borrowers are moving to commercial credit in a reasonable period of time. Regarding increasing the rate, FSA is increasing the emphasis on joint financing with other lenders. The agency believes that this may lead to increased lender confidence in those borrowers who are progressing more rapidly and enable them to depend on commercial credit more quickly than they might otherwise.

FSA Loan Programs

Mr. Aderholt: Why do FSA's loan programs have a subsidy cost?

Response: The Federal Credit Reform Act of 1990 requires Federal Credit Programs to be budgeted based upon the projected cost of loans at the time they are made. The cost estimates are made using cash flow modeling and net present value calculations. The factors with the most significant impact on the subsidy rates are 1) interest rates, including the rates on loans and the projected cost of funds, and 2) events that modify the stream of collections back to the Treasury, including prepayments, restructuring of payments, delinquencies, and losses. The amount of Budget Authority ("subsidy") required to support Farm Loan Programs reflects reductions in cost as a result of continuing improvements in program efficiency and management. In FY 2009, $240.6 million in Budget Authority was required to support $4.57 billion in loans and guarantees made. In contrast, for FY 2015, only $78.7 million is required to support a potential program level of $6.4 billion.

Mr. Aderholt: How many loans in each FSA loan program are delinquent?

Response: As of September 30, 2013, each major loan program had the following number of delinquent loans:

This information is provided for the record.

[The information follows:]

Delinquent Farm Loans

As of September 30, 2013

Loan Type	Direct Loans	Guaranteed Loans
Operating	10,242 of 78,247	572 of 22,176
Farm Ownership	2,589 of 35,011	506 of 30,692
Emergency	2,422 of 8,569	N/A
Economic Emergency	302 of 885	0 of 2
Soil & Water	58 of 400	N/A

Mr. Aderholt: What is the delinquency rate on FSA loan programs?

Response: This information is provided for the record.

[The information follows:]

Delinquent Farm Loans

As of September 30, 2013

Loan Type	Direct Loans	Guaranteed Loans
Operating	13.1%	2.6%
Farm Ownership	7.4%	1.7%
Emergency	28.3%	N/A
Economic Emergency	34.1%	0.0%
Soil & Water	14.5%	N/A

Mr. Aderholt: What is FSA doing to reduce the delinquency rate on direct loans?

Response: FSA has developed management goals incorporated into all farm loan employees' performance plans. FSA continues to use supervised credit and technical assistance and the loan service programs mandated by statute to assist borrowers overcoming financial problems and meet their obligations with FSA. FSA also complies with the Debt Collection Improvement Act; the administrative and Treasury offsets increase collections and reduce delinquencies as well.

Mr. Aderholt: How many loans in each FSA loan program have defaulted?

Response: Authorizing legislation is extremely specific about treatment of delinquent accounts all the way through to liquidation, but makes only general mention of default. As a result FSA does not distinguish between delinquency and default, and refers to all accounts not paid according to schedule as delinquent.

This information is provided for the record.

[The information follows:]

Delinquent Farm Loans

As of September 30, 2013

Loan Type	Direct Loans	Guaranteed Loans
Operating	10,242 of 78,247	572 of 22,176
Farm Ownership	2,589 of 35,011	506 of 30,692
Emergency	2,422 of 8,569	N/A
Economic Emergency	302 of 885	0 of 2
Soil & Water	58 of 400	N/A

Mr. Aderholt: What is the default rate on FSA loan programs?

Response: Authorizing legislation is extremely specific about treatment of delinquent accounts all the way through to liquidation, but makes only general mention of default. As a result FSA does not distinguish between delinquency and default, and refers to all accounts not paid according to schedule as delinquent. See question 119 for the response.

Mr. Aderholt: What is FSA doing to reduce the default rate on direct loans?

Response: Authorizing legislation is extremely specific about treatment of delinquent accounts all the way through to liquidation, but makes only general mention of default. As a result FSA does not distinguish between delinquency and default, and refers to all accounts not paid according to schedule as delinquent.. See question 120 for the response.

Mr. Aderholt: What is the status of those loans that have defaulted?

Response: FSA does not distinguish between delinquencies and defaults. These accounts are in various stages of servicing including primary Loan Servicing, bankruptcy, and foreclosure. An important point to make is that some of the delinquent accounts have been suspended pending a determination if they would file a claim under the Women and Hispanic settlement case. Once all valid claims in the case have been identified by the claims administrator, FSA will be able to proceed with servicing the accounts.

Mr. Aderholt: Please describe the 7 different servicing methods FSA provides to producers. How many of these servicing options is a producer eligible to receive per loan? Do the servicing options ever extend the term of a loan beyond the relevant term limit?

Response:

1) For FSA Direct Loan Programs, FSA provides a Disaster Set-Aside. When a disaster is declared FSA Disaster Set- Aside becomes available for borrowers with financial difficulties because of the disaster. The Disaster Set-Aside program allows FSA to set aside part or the entire annual installment until the last year of the loan. The amount cannot exceed one year's payment, and it continues to accrue interest while set aside. Disaster Set-Aside does not apply to annual operating loans, and there are some other conditions that need to be met. No more than 1 disaster set-aside may be in place on a loan at any given time.

For FSA Primary Loan Servicing, FSA provides the following:

1) Rescheduling (operating loans). For operating type loans, a longer term (up to 15 years with each rescheduling) can be used to give borrowers more time over which to make the payments. There is no limit to the number of times a loan may be rescheduled or re-amortized.
2) Re-amortization (ownership loans). Here payments are rearranged over the remaining term of the loan but not to exceed a total of 40 years. There is no limit to the number of times a loan may be rescheduled or re-amortized.
3) Deferral. Deferral is when borrowers are given a period of time up to five years in which they do not have to make payments on a part of the loan; interest will continue to be charged , however, on the outstanding principal balance. There is no limit to the number of times a deferral may be granted.
4) Write down/Debt Forgiveness. This is when a part of the debt is forgiven. This is only done as a last resort and depends on the value of loan security. Borrowers could also have to pay income taxes on the amount of principal written down. They could

also be required to repay all or part of the debt forgiveness if the real estate security increases in value over the next five years. Borrowers can only receive one write down, ever, and it will prevent them from being able to get many types of FSA loans in the future.

5) Conservation Contracts. A Conservation Contract is a legal agreement between FSA and a FSA borrower whose loan is secured with real estate. FSA agrees to reduce the amount of the FSA loan that must be paid back, and the borrower agrees not to use part of land he owns so it can be used for conservation purposes such as using the land for wildlife habitat, or for a buffer next to a natural resource such as a wetland. To qualify for a debt reduction by a conservation contract, special conditions must be met, the land must be suitable for conservation purposes and the contract agreement for the use of the land must be for at least 10 years. The contract can be for 30 or 50 years in return for a larger reduction in the amount borrowers have to pay back. Borrowers can ask for a conservation contract at any time; borrowers also will be told about the Conservation Contract Program, however, whenever they are sent a letter about loan servicing options.
6) Homestead Protection. If borrowers' homes are part of FSA loan security and because of foreclosure or voluntary conveyance FSA takes possession of it, then Homestead Protection will give borrowers the right to lease the house and up to ten acres from FSA. The lease can be for up to five years if certain conditions are met. The purpose is to give borrowers time to make arrangements or look for financing so they can buy the house back from FSA. If borrowers are an American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, Hispanic, or a woman, borrowers can also give a member of their immediate family the right to buy the home under Homestead Protection.

Mr. Aderholt: Please describe FSA's policies and procedures for collecting on delinquent loans and those in default.

Response: FSA's loan servicing process in governed by specific statutory requirements (see 7 U.S.C. §1981d and 7 U.S.C. §353) When a borrower becomes financially distressed, or becomes 90 days delinquent, FSA must offer Primary Loan Service Programs and follow specific timeframes for notification, consideration and further action. If borrowers do not apply for Primary Loan Servicing, FSA will continue collection activities.

- Offsets – When borrowers are 90 days late in making their loan payment, FSA is required by the Debt Collection Improvement Act to start offsets of Farm Program payments, Social Security payments, tax refunds, and other government payments.

- Reporting delinquent federal debts- FSA reports delinquent loans to credit bureaus and to Treasury and other delinquent federal debt registries to prevent delinquent borrowers from receiving other government benefits and provide an incentive for them to cure their delinquency.

- Treasury Cross-Servicing and Debt Settlement - If borrowers become delinquent on their FSA loans and the problems cannot be corrected with FSA's Primary Loan

Servicing options, then FSA will proceed to liquidate the loan security. If this happens, borrowers do have the choice of voluntarily selling the security or paying FSA the value of the loan security and keeping it.

After liquidation of collateral, if the borrower does not voluntarily settle the debt, FSA is required to turn over loan collection to the Department of the Treasury. Treasury will use both offset authorities including garnishment of wages, and private collection agencies in efforts to collect the remaining debt. Sometimes, as part of settling the balance on an account, a portion of the debt is forgiven or written off. As noted earlier, borrowers may only receive debt forgiveness once from FSA, and that will, by statute, prevent borrowers from getting most types of FSA loans in the future.

Mr. Aderholt: Please provide a ten-year table, including fiscal year 2005 through Fiscal year 2014, showing the subsidy rate for all FSA direct and guaranteed loan programs.

Response: This information is provided for the record.

[The information follows:]

ACIF Subsidy Percentages	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Farm Ownership:										
Direct	5.35	5.12	4.19	4.45	6.35	4.08	6.92	4.8	4.24	0.77
Unsub - Guaranteed	0.53	0.48	0.58	0.4	0.33	0.37	0.38	-0.01	-0.07	-0.16
Farm Operating:										
Direct	10.09	9.95	11.69	12.69	11.79	4.74	6.06	5.63	5.57	5.48
Unsub - Guaranteed	3.23	3.03	2.47	2.42	2.49	2.34	2.33	1.74	1.19	1.22
Subs Guaranteed	13.31	12.5	10.07	13.34	13.79	14.06	13.83	N/A	N/A	N/A
Indian Land Acquisition	5.27	4.01	21.15	3.15	6.29	-37.37	-6.53	-13.89	-14.85	-35.53
Boll Weevil Eradication Program	-5.68	-18.09	1.9	-0.27	-0.56	-1.14	-2.09	-2.16	-2.54	-2.69
Emergency	12.94	10.94	11.77	11.15	14.22	3.69	10.49	5.01	3.8	5.62
Conservation										
Direct						2.31	2.99	N/A	N/A	N/A
Guaranteed						0.37	0.38	-0.01	-0.28	-0.36

Mr. Aderholt: Please provide a table for each FSA direct and guaranteed loan program showing the number of borrowers, the number of loans with outstanding balances, the number of delinquent loans, the total amount outstanding, the total amount delinquent and the percentage delinquent by number of loans and by total amount.

Response: This information is provided for the record.

[The information follows:]

FARM SERVICE AGENCY
AGRICULTURAL CREDIT INSURANCE FUND
COMPARISON OF LOAN DELINQUENCY RATES
As Of September 30, 2013

	Number of Loans	Number of Loans Delinquent	Percent Delinquent # Loans	Total Outstanding	Total Principal and Interest Delinquent	Percent Delinquent $ Value
Farm Ownership Programs:						
Direct	35,011	2,589	7.4%	$4,149,926,132	$75,884,724	1.83%
Guaranteed	30,692	506	1.6%	8,692,125,994	66,680,531	0.77%
Subtotal, Ownership Programs	65,703	3,095	4.7%	12,842,052,126	142,565,255	1.11%
Farm Operating Programs:						
Direct (includes Seed Loans)	78,247	10,242	13.1%	$3,390,009,207	$214,813,544	6.34%
Guaranteed	22,176	572	2.6%	2,864,810,932	57,187,231	2.00%
Subtotal, Operating Loan Programs	100,423	10,814	10.8%	6,254,820,139	272,000,775	4.35%
Boll Weevil	10	0	0.0%	$11,702,254	$0	0.00%
Indian Tribe Land Acquisition	53	3	5.7%	$24,246,409	$108,587	0.45%
Soil and Water						
Direct	400	58	14.5%	$5,483,428	$1,245,590	22.72%
Guaranteed	0	0	0.0%	0	0	0.00%
Subtotal, Soil and Water	400	58	14.5%	5,483,428	1,245,590	22.72%
Emergency Loan Programs:						
Direct Emergency Disaster	8,569	2,422	28.3%	$479,869,628	$110,313,284	22.99%
Direct Economic Emergency	885	302	34.1%	65,040,824	29,274,798	45.01%
Guaranteed Economic Emergency	2	0	0.0%	99,714	0	0.00%
Subtotal, Emergency Loan Programs	9,456	2,724	28.8%	$545,010,166	$139,588,082	25.61%

Mr. Aderholt: Please update the table showing the farm loan outstanding balances and delinquency totals by state.

Response: This information is provided for the record.

[The information follows:]

As of 09/30/13	Direct Loans:		Guaranteed Loans:	
State Name	Total Outstanding	Total Amount Delinquent	Total Outstanding	Total Amount Delinquent
ALABAMA	$67,139,715	$2,947,044	$231,093,290	$3,676,240
ALASKA	$7,483,419	$1,100,446	$0	$0
ARIZONA	$30,952,498	$4,540,001	$46,912,087	$571,910
ARKANSAS	$228,018,243	$30,267,445	$502,372,393	$16,907,209
CALIFORNIA	$181,460,559	$40,228,052	$232,212,016	$9,176,143
COLORADO	$96,750,490	$2,654,505	$162,329,851	$271,921
CONNECTICUT	$5,704,100	$468,470	$34,709,890	$2,343,274
DELAWARE	$5,208,175	$0	$21,213,352	$237,153
FLORIDA	$76,678,075	$6,666,947	$69,290,916	$1,165,650
GEORGIA	$170,139,056	$16,399,879	$264,816,158	$5,259,909
HAWAII	$16,848,018	$338,876	$19,549,469	$1,970,208
IDAHO	$100,663,757	$1,855,510	$188,099,874	$1,066,718
ILLINOIS	$236,165,470	$2,244,499	$642,644,437	$1,018,522
INDIANA	$130,779,496	$924,578	$449,148,456	$3,019,403
IOWA	$496,130,604	$3,267,269	$650,910,774	$355,543
KANSAS	$353,637,847	$3,534,809	$236,148,629	$1,416,586
KENTUCKY	$295,294,231	$8,861,823	$284,522,416	$4,067,720
LOUISIANA	$95,641,509	$12,422,245	$238,841,893	$6,010,249
MAINE	$39,524,121	$3,379,782	$21,557,926	$47,565
MARYLAND	$18,364,784	$1,659,836	$46,940,016	$422,041
MASSACHUSETTS	$50,477,267	$5,995,010	$32,244,476	$413,921
MICHIGAN	$236,494,452	$9,539,745	$413,882,634	$4,922,233
MINNESOTA	$385,141,698	$3,606,170	$637,202,703	$1,532,209
MISSISSIPPI	$84,880,347	$19,021,815	$99,753,760	$3,458,186
MISSOURI	$229,458,521	$1,425,837	$481,746,241	$3,491,673
MONTANA	$131,754,711	$5,677,521	$215,081,490	$309,421
NEBRASKA	$432,065,789	$1,898,820	$451,196,274	$515,880
NEVADA	$15,993,066	$869,015	$27,806,489	$0
NEW HAMPSHIRE	$18,367,999	$657,165	$7,187,345	$7,597
NEW JERSEY	$27,224,350	$4,124,431	$38,093,365	$912,105
NEW MEXICO	$48,157,993	$3,223,913	$59,603,328	$1,023,753
NEW YORK	$198,702,411	$20,757,079	$255,441,957	$4,024,732
NORTH	$121,532,989	$11,912,005	$305,433,960	$6,530,454
NORTH DAKOTA	$218,371,025	$7,147,042	$216,630,300	$955,689
OHIO	$118,120,433	$2,469,750	$857,094,560	$1,948,449
OKLAHOMA	$524,293,999	$20,944,343	$344,669,749	$6,948,211
OREGON	$91,374,639	$2,748,757	$129,999,758	$3,434,100
PENNSYLVANIA	$271,133,251	$4,999,223	$187,043,516	$1,823,198

As of 09/30/13	Direct Loans:		Guaranteed Loans:	
State Name	Total Outstanding	Total Amount Delinquent	Total Outstanding	Total Amount Delinquent
PUERTO RICO	$250,645,463	$106,244,947	$11,073,583	$2,225,424
RHODE ISLAND	$8,203,137	$723,198	$4,528,881	$0
SOUTH	$129,536,343	$8,542,665	$191,498,101	$3,515,163
SOUTH DAKOTA	$312,655,075	$885,481	$349,268,376	$457,519
TENNESSEE	$165,764,818	$10,724,132	$149,088,576	$2,712,229
TEXAS	$373,498,545	$24,830,143	$248,238,474	$2,439,529
UTAH	$154,745,449	$1,448,052	$87,919,625	$606,108
VERMONT	$65,955,664	$654,707	$110,830,248	$706,649
VIRGINIA	$136,026,157	$5,131,761	$127,585,198	$1,733,231
WASHINGTON	$96,001,813	$4,472,269	$116,809,049	$2,621,911
WEST VIRGINIA	$75,593,843	$1,313,318	$26,170,735	$183,023
WESTERN	$0	$0	$8,023	$0
WISCONSIN	$526,585,587	$6,873,078	$962,040,227	$4,983,585
WYOMING	$32,584,585	$1,443,377	$68,551,799	$427,616
TOTAL	$8,183,925,587	$444,066,788	$11,557,036,640	$123,867,762

Mr. Aderholt: Please provide a table showing the number of loans with delinquencies of less than 3 months, between 3 and 6 months, between 6 months and 1 year, and greater than 1 year for each FSA direct and guaranteed loan program.

Response: FSA delinquency aging is based on the borrower's entire direct loan account, because servicing is performed on a borrower, rather than a loan by loan basis. Aging data is not maintained for the specific categories that were requested. Guaranteed lenders do not report delinquencies in specific categories, therefore data on guaranteed loans is not available. The following table provides delinquency aging for direct loan borrowers.

[The information follows:]

Direct Loan Program (as of 09/30/2013):	
Past Due Category	**Number of Borrowers**
1 to 30 Days	800
31-89 Days	860
90-365 Days	2,140
366+ Days	3,649
Total	7,449

Mr. Aderholt: Please provide a table showing each FSA direct and guaranteed loan program and the loan losses by amount and percentage for fiscal years 2009 through FY 2013.

Response: This information is provided for the record.

[The information follows:]

Direct Farm Loans Written Off
Operating Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	$2,241,990	$33,364	1.5%
2010	$2,694,210	$38,278	1.4%
2011	$3,118,091	$79,585	2.6%
2012	$3,272,565	$40,880	1.2%
2013	$3,347,009	$62,084	1.9%

Direct Farm Loans Written Off
Farm Ownership Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	$2,869,295	$7,977	0.3%
2010	$3,128,672	$10,267	0.3%
2011	$3,579,960	$18,414	0.5%
2012	$3,821,503	$11,296	0.3%
2013	$3,975,681	$29,039	0.7%

Direct Farm Loans Written Off
Emergency Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	$715,251	$4,720	0.7%
2010	$650,120	$27,396	4.2%
2011	$585,191	$19,744	3.4%
2012	$520,540	$22,596	4.3%
2013	$458,024	$26,154	5.7%

Direct Farm Loans Written Off
Economic Emergency Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	$110,337	$2,923	2.6%
2010	$92,940	$1,495	1.6%
2011	$77,729	$7,248	9.3%
2012	$63,649	$635	1.0%
2013	$53,268	$5,412	10.2%

Direct Farm Loans Written Off
Soil and Water Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	$12,694	$59	0.5%
2010	$11,018	$195	1.8%
2011	$ 9,002	$165	1.8%
2012	$ 6,931	$72	1.0%
2013	$6,257	$6	0.1%

Guaranteed Farm Loans Written Off
Operating Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	3,088,052	19,532	0.6%
2010	3,144,036	31,852	1.0%
2011	3,436,754	28,528	0.8%
2012	3,427,381	20,648	0.6%
2013	3,151,538	18,573	0.6%

Guaranteed Farm Loans Written Off
Farm Ownership Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	5,838,427	15,758	0.3%
2010	6,242,447	22,846	0.4%
2011	6,916,301	23,596	0.3%
2012	7,681,420	18,294	0.2%
2013	8,345,556	18,781	0.2%

Guaranteed Farm Loans Written Off
Economic Emergency Loans
Fiscal Years 2009 – 2013
(Dollars in Thousands)

Fiscal Year	Beginning Principal	Losses Paid (Principal and Interest)	Losses as Percent of Beginning Principal
2009	433	-13	-2.9%
2010	334	-76	-22.8%
2011	217	0	0.0%
2012	189	0	0.0%
2013	166	-37	-22.3%

NOTE: Negative losses indicate recoveries exceeded losses for the period.

Mr. Aderholt: Please update the farm loan programs obligations report by state provided last year for FY 2013 and FY 2014 to date.

Response: This information is provided for the record.

[The information follows:]

FARM SERVICE AGENCY
FARM LOAN PROGRAMS OBLIGATIONS REPORT
FY 2014 AS OF MARCH 31, 2014
(DOLLARS IN THOUSANDS)

	DIRECT OL		GUAR OL		DIRECT FO		GUAR FO		EMERGENCY		TOTAL	
STATES	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT
ALABAMA	253	9,445	13	2,609	15	2,662	46	30,769	3	526	330	46,011
ALASKA	8	218	0	0	0	0	0	0	0	0	8	218
ARIZONA	137	2,541	15	7,492	2	380	4	1,819	0	0	158	12,232
ARKANSAS	275	22,739	112	35,234	17	2,304	47	34,693	2	92	453	95,062
CALIFORNIA	412	15,632	63	22,158	17	4,128	47	35,445	0	0	539	77,363
COLORADO	202	11,977	43	7,022	22	4,803	20	7,137	0	0	287	30,940
CONNECTICUT	10	645	3	600	1	79	3	1,188	0	0	17	2,511
DELAWARE	2	165	0	0	1	300	10	6,181	1	103	14	6,750
FLORIDA	192	13,858	24	6,715	5	1,332	13	8,349	2	608	236	30,861
GEORGIA	390	33,476	79	25,618	31	5,854	34	18,661	5	1,107	539	84,716
HAWAII	66	1,100	1	100	0	0	4	633	0	0	71	1,833
IDAHO	277	15,894	94	21,568	31	6,402	40	14,658	1	198	443	58,721
ILLINOIS	188	12,213	35	8,482	217	35,852	147	61,636	1	25	588	118,407
INDIANA	77	5,597	77	11,953	106	17,995	155	66,092	0	0	415	101,637
IOWA	995	59,061	137	30,518	361	62,326	108	53,306	1	4	1,602	205,216
KANSAS	449	25,064	61	10,785	218	33,863	49	15,816	1	50	778	85,598
KENTUCKY	735	26,711	45	9,122	100	18,239	57	19,866	0	0	937	73,937
LOUISIANA	206	11,230	83	28,637	3	350	6	1,688	0	0	298	41,906
MAINE	34	1,504	1	201	3	686	4	1,030	0	0	42	3,421
MARYLAND	22	1,255	1	325	4	972	3	2,620	0	0	30	5,171
MASSACHUSETTS	42	1,799	5	135	4	819	5	2,038	0	0	56	4,791
MICHIGAN	185	12,178	26	8,490	62	9,919	48	20,163	1	79	322	50,829
MINNESOTA	481	33,426	82	18,842	207	41,999	140	51,900	13	755	923	146,924
MISSISSIPPI	314	11,265	9	2,754	3	379	16	13,321	0	0	342	27,739
MISSOURI	343	17,051	80	17,694	138	20,150	150	48,560	4	459	715	103,932
MONTANA	170	9,863	48	11,630	28	6,386	30	18,948	1	62	277	46,911
NEBRASKA	1,021	65,373	54	15,555	188	38,988	72	34,854	1	68	1,336	154,838
NEVADA	61	2,477	7	1,971	5	959	11	5,238	0	0	84	10,655
NEW HAMPSHIRE	15	756	1	225	1	225	4	1,415	0	0	21	2,621
NEW JERSEY	31	1,173	2	375	1	180	2	886	3	389	39	3,002
NEW MEXICO	87	4,681	20	5,205	8	1,552	13	5,139	0	0	128	16,576
NEW YORK	126	6,916	19	3,523	9	1,616	30	12,458	2	129	186	24,643
NORTH CAROLINA	225	14,749	67	14,305	3	418	49	26,389	7	985	351	56,846
NORTH DAKOTA	231	19,407	72	19,433	59	9,898	22	12,714	1	158	385	61,610
OHIO	171	6,198	56	6,615	137	20,631	433	130,613	0	0	799	164,057
OKLAHOMA	665	33,067	38	11,223	234	40,009	46	18,653	3	160	986	103,114
OREGON	184	10,767	38	9,760	5	1,173	33	16,707	1	225	261	38,631
PENNSYLVANIA	239	14,663	22	2,789	31	7,366	30	13,045	0	0	322	37,862
PUERTO RICO	71	2,852	4	1,070	12	1,749	10	3,754	0	0	97	9,426
RHODE ISLAND	6	322	0	0	0	0	0	0	0	0	6	322
SOUTH CAROLINA	267	21,223	32	6,685	18	3,416	38	17,433	31	3,464	386	52,220
SOUTH DAKOTA	581	36,442	78	21,294	94	19,854	88	39,104	1	61	842	116,755
TENNESSEE	297	15,010	14	4,094	30	4,574	32	16,239	0	0	373	39,917
TEXAS	844	45,827	153	42,987	71	13,486	37	22,396	1	37	1,106	124,733
UTAH	341	17,337	11	2,642	27	5,189	17	8,534	0	0	396	33,702
VERMONT	57	2,780	15	3,606	6	1,004	28	6,748	1	100	107	14,237
VIRGIN ISLANDS	1	100	0	0	1	200	0	0	0	0	2	300
VIRGINIA	207	15,399	28	8,019	25	5,048	18	8,502	0	0	278	36,969
WASHINGTON	250	17,232	39	12,883	9	2,078	6	2,892	0	0	304	35,084
WEST PAC TERR	3	124	0	0	1	50	0	0	0	0	4	173
WEST VIRGINIA	213	7,451	3	590	13	2,092	6	2,436	0	0	235	12,569
WISCONSIN	563	31,231	105	19,356	134	23,629	257	132,156	1	130	1,060	206,702
WYOMING	38	2,145	16	3,141	8	1,727	13	6,262	0	0	75	13,275
TOTAL	13,260	751,671	2,033	506,027	2,726	485,499	2,481	1,081,305	89	9,975	20,589	2,834,476

Mr. Aderholt: For each FSA direct and guaranteed loan program, please provide a table by state showing the number of loans made and the amount to beginning farmers.

Response: This information is provided for the record.

[The information follows:]

FARM SERVICE AGENCY
FARM LOAN PROGRAMS BEGINNING FARMER OBLIGATIONS REPORT
FY 2013 AS OF SEPTEMBER 30, 2013

	DIRECT OL		GUAR OL		DIRECT FO		GUAR FO		TOTAL	
STATES	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT
ALABAMA	174	9,787,271	15	1,279,176	22	3,255,530	19	10,224,198	230	24,546,175
ALASKA	7	109,500	0	0	0	0	0	0	7	109,500
ARIZONA	45	4,017,230	12	8,106,983	1	150,000	4	1,319,159	62	13,593,372
ARKANSAS	218	19,187,310	131	38,941,314	24	3,138,950	50	31,001,390	423	92,268,964
CALIFORNIA	173	13,896,960	45	8,673,902	30	7,154,000	36	21,516,067	284	51,240,929
COLORADO	175	13,077,930	25	3,934,100	33	6,893,040	10	2,886,945	243	26,792,015
CONNECTICUT	12	256,070	2	400,000	0	0	1	584,000	15	1,240,070
DELAWARE	4	379,495	4	422,000	4	1,019,420	14	6,046,080	26	7,866,995
FLORIDA	149	10,769,470	15	2,131,500	11	1,812,700	4	1,668,000	179	16,381,670
GEORGIA	381	34,320,878	74	19,486,920	26	4,773,770	19	8,950,275	500	67,531,843
HAWAII	30	1,057,320	0	0	1	152,000	3	1,301,249	34	2,510,569
IDAHO	239	15,545,620	84	10,502,023	21	4,437,250	21	5,672,250	365	36,157,143
ILLINOIS	186	12,104,170	30	5,844,610	76	11,655,670	105	30,694,459	397	60,298,909
INDIANA	60	4,200,910	47	6,765,000	48	9,208,890	56	19,395,650	211	39,570,450
IOWA	951	52,461,912	59	10,731,980	158	27,960,235	66	23,497,624	1,234	114,651,751
KANSAS	257	16,657,347	32	7,894,000	108	16,552,690	21	5,219,613	418	46,323,650
KENTUCKY	662	30,557,510	61	8,083,245	62	10,345,643	47	14,702,906	832	63,689,304
LOUISIANA	166	11,699,465	88	19,692,528	4	1,042,000	4	774,000	262	33,207,993
MAINE	54	1,924,100	0	0	6	1,201,500	0	0	60	3,125,600
MARYLAND	13	1,014,750	5	709,501	8	2,100,000	18	9,941,122	44	13,765,373
MASSACHUSETTS	81	2,421,370	1	40,000	11	2,407,500	1	250,000	94	5,118,870
MICHIGAN	198	11,442,985	31	5,526,939	40	6,555,140	25	5,687,868	294	29,212,932
MINNESOTA	503	32,843,602	72	14,350,650	87	17,494,470	75	19,194,303	737	83,883,025
MISSISSIPPI	225	11,260,807	12	4,148,595	6	1,193,000	8	7,771,070	251	24,373,472
MISSOURI	241	15,508,420	67	11,250,400	108	14,960,763	69	17,007,146	485	58,726,729
MONTANA	176	11,800,680	39	8,777,743	25	4,723,940	21	6,992,062	261	32,294,425
NEBRASKA	809	50,402,170	36	11,545,880	81	16,265,000	31	10,617,730	957	88,830,780
NEVADA	49	2,058,732	2	315,000	5	672,650	7	3,690,688	63	6,737,070
NEW HAMPSHIRE	20	558,180	2	115,000	1	256,000	0	0	23	929,180
NEW JERSEY	52	1,604,110	2	250,000	4	791,000	2	246,000	60	2,891,110
NEW MEXICO	77	4,440,110	10	1,255,600	12	2,067,450	12	3,356,540	111	11,119,700
NEW YORK	130	5,665,110	21	2,812,300	18	2,280,508	14	2,277,750	183	13,035,668
NORTH CAROLINA	205	12,074,230	34	5,986,274	15	3,191,210	32	10,725,458	286	31,977,172
NORTH DAKOTA	215	18,814,751	42	7,977,630	34	5,850,780	11	5,214,725	302	37,857,886
OHIO	112	5,434,635	29	3,044,896	72	11,352,680	110	23,651,430	323	43,483,641
OKLAHOMA	517	25,806,480	23	4,630,670	229	39,933,604	24	8,411,699	793	78,782,653
OREGON	129	7,732,220	24	4,803,692	14	2,932,080	10	2,103,427	177	17,571,419
PENNSYLVANIA	255	12,051,406	24	2,024,043	27	6,813,700	19	6,256,699	325	27,145,848
PUERTO RICO	87	2,693,650	1	56,983	38	3,918,684	0	0	126	6,669,317
RHODE ISLAND	13	489,500	1	40,000	3	423,250	0	0	17	952,750
SOUTH CAROLINA	231	17,128,960	20	4,160,580	14	2,705,300	23	14,245,070	288	38,239,910
SOUTH DAKOTA	496	30,430,128	34	5,455,940	63	13,030,680	33	13,329,231	626	62,245,979
TENNESSEE	322	16,509,140	23	4,289,621	33	4,939,430	26	15,393,185	404	41,131,376
TEXAS	589	36,422,641	69	14,586,764	97	17,885,592	8	4,938,100	763	73,833,097
UTAH	244	13,949,010	12	4,349,925	29	5,189,780	8	2,252,114	293	25,740,829
VERMONT	56	2,159,160	20	1,704,700	8	1,618,500	10	1,626,250	94	7,108,610
VIRGIN ISLANDS	2	70,000	0	0	0	0	0	0	2	70,000
VIRGINIA	160	11,451,490	17	3,743,850	26	5,067,070	7	2,860,000	210	23,122,410
WASHINGTON	160	12,939,568	28	4,663,750	29	6,778,990	8	2,780,000	225	27,162,308
WEST PAC TERR	4	32,960	0	0	0	0	0	0	4	32,960
WEST VIRGINIA	146	3,970,800	4	190,000	8	1,427,850	5	1,576,800	163	7,165,450
WISCONSIN	559	28,986,508	67	14,163,234	111	20,300,469	51	17,085,908	788	80,536,119
WYOMING	27	2,396,925	9	1,355,655	4	1,119,000	1	175,000	41	5,046,580
TOTAL	11,046	664,575,656	1,505	301,215,096	1,895	336,999,558	1,149	405,111,240	15,595	1,707,901,550

FARM SERVICE AGENCY
FARM LOAN PROGRAMS BEGINNING FARMER OBLIGATIONS REPORT
FY 2014 AS OF MARCH 31, 2014

STATES.	DIRECT OL		GUAR OL		DIRECT FO		GUAR FO		TOTAL	
	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT
ALABAMA	112	5,451,030	8	1,182,021	10	1,799,500	26	18,160,308	156	26,592,859
ALASKA	4	72,500	0	0	0	0	0	0	4	72,500
ARIZONA	31	1,742,120	7	2,672,011	1	300,000	2	686,042	41	5,400,173
ARKANSAS	157	15,809,520	73	19,818,270	12	1,369,000	27	17,224,271	269	54,221,061
CALIFORNIA	100	7,700,780	19	3,909,636	15	3,527,750	19	12,724,882	153	27,863,048
COLORADO	116	8,258,180	13	1,497,676	19	3,905,750	3	631,500	151	14,293,106
CONNECTICUT	5	274,610	0	0	1	78,750	1	87,500	7	440,860
DELAWARE	0	0	0	0	1	300,000	9	5,160,250	10	5,460,250
FLORIDA	106	7,962,070	7	1,319,900	4	1,031,500	5	2,255,133	122	12,568,603
GEORGIA	274	25,422,610	46	11,125,600	19	3,441,920	18	9,702,050	357	49,692,180
HAWAII	26	571,694	0	0	0	0	4	632,525	30	1,204,219
IDAHO	148	11,660,140	40	5,501,550	31	6,402,300	22	7,025,849	241	30,589,839
ILLINOIS	126	8,772,210	9	2,405,000	180	29,189,520	68	17,986,573	383	58,353,303
INDIANA	52	3,804,180	27	2,199,500	95	16,183,950	65	22,940,459	239	45,128,089
IOWA	743	49,718,205	53	8,462,500	290	49,837,825	34	13,392,641	1,120	121,410,971
KANSAS	278	15,418,530	20	3,832,636	177	26,822,990	16	3,623,803	491	49,697,959
KENTUCKY	379	16,481,550	24	5,201,549	56	10,011,670	23	7,519,740	482	39,214,509
LOUISIANA	129	8,968,160	50	13,463,309	1	94,000	1	397,850	181	22,923,319
MAINE	13	829,050	0	0	2	386,000	1	196,000	16	1,411,050
MARYLAND	9	681,500	0	0	3	729,500	2	1,835,000	14	3,246,000
MASSACHUSETTS	29	1,472,650	3	55,000	2	469,000	2	498,000	36	2,494,650
MICHIGAN	103	6,932,050	3	690,500	43	6,782,850	18	5,354,350	167	19,759,750
MINNESOTA	307	22,757,100	28	6,031,148	154	31,941,334	43	12,581,337	532	73,310,919
MISSISSIPPI	141	6,782,220	6	2,116,161	2	366,000	5	3,860,683	154	13,125,064
MISSOURI	192	11,998,790	27	5,106,028	115	16,267,840	73	18,470,968	407	51,843,626
MONTANA	108	7,117,630	21	3,343,559	18	4,114,560	8	4,069,230	155	18,644,979
NEBRASKA	732	49,958,720	21	4,856,050	143	29,128,090	21	5,430,486	917	89,373,346
NEVADA	30	1,828,900	3	1,030,000	4	731,000	7	3,049,886	44	6,639,786
NEW HAMPSHIRE	13	589,850	0	0	1	225,000	2	406,294	16	1,221,144
NEW JERSEY	19	599,900	0	0	1	180,000	2	886,000	22	1,665,900
NEW MEXICO	43	2,527,230	8	1,103,090	6	1,124,500	5	1,815,000	62	6,569,820
NEW YORK	72	2,945,550	2	140,000	8	1,463,200	4	755,000	86	5,303,750
NORTH CAROLINA	145	9,152,165	21	3,169,752	1	165,000	21	8,504,908	188	20,991,825
NORTH DAKOTA	162	13,766,960	42	7,774,121	49	8,065,572	6	2,698,565	259	32,305,218
OHIO	84	3,433,580	14	1,264,340	112	16,625,780	104	24,556,572	314	45,880,272
OKLAHOMA	374	18,356,410	8	3,072,920	175	29,322,375	24	6,294,806	581	57,046,511
OREGON	98	5,834,540	9	1,699,500	4	872,650	8	3,105,500	119	11,512,190
PENNSYLVANIA	130	7,726,310	5	985,000	22	4,941,000	12	4,742,372	169	18,394,682
PUERTO RICO	45	1,406,669	1	170,000	8	1,148,900	2	516,000	56	3,241,569
RHODE ISLAND	4	267,000	0	0	0	0	0	0	4	267,000
SOUTH CAROLINA	156	13,771,840	14	1,583,140	12	2,311,850	17	7,012,114	199	24,678,944
SOUTH DAKOTA	446	28,880,018	27	6,939,299	74	15,052,820	26	8,833,724	573	59,705,861
TENNESSEE	186	10,512,546	6	1,611,500	17	2,240,500	12	6,042,121	221	20,406,667
TEXAS	422	27,047,768	69	13,881,896	51	10,001,850	15	9,310,950	557	60,242,464
UTAH	172	11,810,250	6	1,605,675	20	3,959,870	7	1,380,387	205	18,756,182
VERMONT	28	1,171,500	4	220,900	5	734,000	13	2,196,992	50	4,323,392
VIRGIN ISLANDS	1	100,000	0	0	1	200,000	0	0	2	300,000
VIRGINIA	111	8,777,680	11	1,737,000	14	2,769,480	13	4,635,289	149	17,919,449
WASHINGTON	118	9,198,580	11	2,410,000	4	1,019,000	4	2,176,679	137	14,804,259
WEST PAC TERR	3	123,500	0	0	1	49,500	0	0	4	173,000
WEST VIRGINIA	110	3,206,990	0	0	10	1,586,800	3	422,175	123	5,215,965
WISCONSIN	345	18,636,220	41	5,865,979	76	12,970,150	54	15,354,201	516	52,826,550
WYOMING	27	1,552,420	8	1,839,000	5	986,750	5	2,490,000	45	6,868,170
TOTAL	7,764	499,842,175	815	162,892,716	2,075	363,228,946	882	309,632,965	11,536	1,335,596,802

Mr. Aderholt: For each FSA direct and guaranteed loan program, please provide a table by state showing the number of loans made and the amount to socially disadvantaged farmers.

Response: This information is provided for the record.

[The information follows:]

FARM SERVICE AGENCY
FARM LOAN PROGRAMS SOCIALLY DISADVANTAGED OBLIGATIONS REPORT
FY 2013 AS OF SEPTEMBER 30, 2013

STATES	DIRECT OL		GUAR OL		DIRECT FO		GUAR FO		TOTAL	
	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT
ALABAMA	173	4,923,740	3	413,784	11	1,388,600	8	3,969,980	195	10,696,104
ALASKA	6	94,500	0	0	0	0	0	0	6	94,500
ARIZONA	111	2,209,520	2	2,402,000	1	150,000	0	0	114	4,761,520
ARKANSAS	146	7,882,100	11	2,418,129	15	1,977,490	28	19,006,070	200	31,283,789
CALIFORNIA	325	11,680,936	68	25,282,300	25	5,972,500	30	20,257,623	448	63,193,359
COLORADO	72	4,145,340	5	971,500	10	2,353,590	4	2,019,670	91	9,490,100
CONNECTICUT	6	186,700	1	100,000	0	0	0	0	7	286,700
DELAWARE	2	6,500	2	104,000	1	300,000	6	2,146,000	11	2,556,500
FLORIDA	134	7,126,215	13	2,174,000	11	2,019,000	6	3,422,297	164	14,741,512
GEORGIA	205	12,412,253	13	4,387,000	17	2,425,040	8	4,761,242	243	23,985,535
HAWAII	83	2,055,980	1	61,930	4	649,500	4	2,067,249	92	4,834,659
IDAHO	104	3,127,310	15	3,030,468	5	1,065,000	4	1,403,178	128	8,625,956
ILLINOIS	27	680,380	0	0	8	936,450	6	1,222,000	41	2,838,830
INDIANA	13	481,610	3	1,382,000	4	690,400	3	822,730	23	3,376,740
IOWA	118	2,759,229	2	132,450	12	1,932,610	5	1,063,775	137	5,888,064
KANSAS	92	2,607,030	3	490,000	31	4,609,400	9	1,398,225	135	9,104,655
KENTUCKY	262	5,868,590	10	1,706,000	23	3,324,440	6	2,368,788	301	13,267,818
LOUISIANA	163	7,773,760	42	10,557,924	4	862,000	3	939,000	212	20,132,684
MAINE	33	959,240	0	0	4	916,000	0	0	37	1,875,240
MARYLAND	8	448,000	1	44,446	5	1,355,000	10	7,871,122	24	9,718,568
MASSACHUSETTS	53	1,594,640	0	0	4	775,000	1	250,000	58	2,619,640
MICHIGAN	59	1,601,565	0	0	12	1,438,750	4	539,250	75	3,579,565
MINNESOTA	108	3,969,490	2	213,000	8	1,604,400	4	1,399,000	122	7,185,890
MISSISSIPPI	199	4,972,067	0	0	7	1,274,800	3	1,330,630	209	7,577,497
MISSOURI	82	2,031,200	22	5,331,515	26	3,654,590	18	6,662,700	148	17,680,005
MONTANA	111	5,164,690	16	4,150,594	8	1,657,000	5	2,401,100	140	13,373,384
NEBRASKA	159	5,002,830	5	692,080	17	2,841,570	3	565,950	184	9,102,430
NEVADA	37	684,362	0	0	0	0	0	0	37	684,362
NEW HAMPSHIRE	9	264,900	1	75,000	0	0	0	0	10	339,900
NEW JERSEY	22	800,990	0	0	1	275,000	0	0	23	1,075,990
NEW MEXICO	78	3,089,600	5	187,800	11	2,092,750	7	988,950	101	6,359,100
NEW YORK	34	1,146,040	4	760,000	2	380,000	1	275,000	41	2,561,040
NORTH CAROLINA	84	3,067,500	15	1,844,744	3	401,000	17	6,155,979	119	11,469,223
NORTH DAKOTA	71	3,634,641	3	355,000	4	1,074,500	2	944,875	80	6,009,016
OHIO	64	1,132,312	3	342,075	27	3,893,820	11	1,719,770	105	7,087,977
OKLAHOMA	622	25,754,710	34	5,877,395	224	39,121,134	29	13,026,538	909	83,779,777
OREGON	65	2,400,410	1	1,200,000	2	492,000	2	1,416,000	70	5,508,410
PENNSYLVANIA	156	8,431,846	7	647,200	16	3,864,200	7	2,924,000	186	15,867,246
PUERTO RICO	149	5,471,870	10	1,245,025	53	5,543,634	1	520,000	213	12,780,529
RHODE ISLAND	5	457,500	0	0	1	162,000	0	0	6	619,500
SOUTH CAROLINA	125	7,645,390	6	303,610	13	2,066,100	11	6,321,800	155	16,336,900
SOUTH DAKOTA	149	6,586,771	9	1,627,740	8	1,477,410	7	2,798,172	173	12,490,093
TENNESSEE	104	4,007,650	3	143,900	8	856,800	3	1,673,640	118	6,681,990
TEXAS	433	14,070,183	3	287,500	47	6,767,980	8	7,711,000	491	28,836,663
UTAH	98	2,804,970	0	0	5	707,000	0	0	103	3,511,970
VERMONT	15	545,200	5	317,000	3	545,000	3	318,500	26	1,725,700
VIRGIN ISLANDS	2	70,000	0	0	0	0	0	0	2	70,000
VIRGINIA	83	4,995,450	1	300,000	9	1,440,500	2	815,000	95	7,550,950
WASHINGTON	149	8,151,532	13	2,488,000	18	3,913,660	3	1,265,000	183	15,818,392
WEST PAC TERR	6	49,960	0	0	0	0	0	0	6	49,960
WEST VIRGINIA	73	1,676,100	1	120,000	3	284,850	1	302,100	78	2,383,050
WISCONSIN	158	5,569,630	9	1,154,074	24	3,597,830	12	4,614,639	203	14,936,173
WYOMING	26	1,274,340	4	565,275	3	819,000	1	801,000	34	3,459,615
TOTAL	5,671	215,549,272	377	85,886,458	758	125,949,498	306	142,479,542	7,112	569,864,770

FARM SERVICE AGENCY
FARM LOAN PROGRAMS SOCIALLY DISADVANTAGED OBLIGATIONS REPORT
FY 2014 AS OF MARCH 31, 2014

STATES	DIRECT OL		GUAR OL		DIRECT FO		GUAR FO		TOTAL	
	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT	NO	$ AMT
ALABAMA	126	3,452,089	2	543,500	8	1,299,500	11	9,037,345	147	14,332,434
ALASKA	4	57,500	0	0	0	0	0	0	4	57,500
ARIZONA	96	1,158,580	4	3,064,626	1	80,000	0	0	101	4,303,206
ARKANSAS	90	5,937,090	10	2,053,451	12	1,788,425	15	8,894,901	127	18,673,867
CALIFORNIA	245	5,911,320	30	12,937,350	9	2,550,000	20	16,533,132	304	37,931,802
COLORADO	40	1,492,720	9	1,488,751	2	458,400	3	1,700,000	54	5,139,871
CONNECTICUT	5	325,400	1	150,000	1	78,750	3	1,187,500	10	1,741,650
DELAWARE	0	0	0	0	1	300,000	3	3,065,000	4	3,365,000
FLORIDA	99	6,865,870	10	1,649,208	5	1,331,500	4	1,636,283	118	11,482,861
GEORGIA	114	7,513,400	8	3,216,000	3	205,500	6	2,854,300	131	13,789,200
HAWAII	65	1,070,254	0	0	0	0	2	349,500	67	1,419,754
IDAHO	66	1,508,910	4	309,108	5	1,197,000	4	883,000	79	3,898,018
ILLINOIS	18	671,350	0	0	4	545,290	3	1,073,149	25	2,289,789
INDIANA	11	417,300	1	40,000	6	857,060	4	2,092,061	22	3,406,421
IOWA	97	2,302,470	3	115,000	10	1,860,920	2	404,700	112	4,683,090
KANSAS	78	2,111,430	2	478,158	18	2,591,160	5	1,031,653	103	6,212,401
KENTUCKY	146	3,524,670	1	107,000	19	2,985,870	6	1,835,540	172	8,453,080
LOUISIANA	102	4,531,100	34	9,796,427	3	350,370	4	1,242,850	143	15,920,747
MAINE	12	539,800	0	0	1	161,000	0	0	13	700,800
MARYLAND	8	290,500	0	0	3	671,500	1	860,000	12	1,822,000
MASSACHUSETTS	19	631,230	1	30,000	3	769,000	2	498,000	25	1,928,230
MICHIGAN	28	1,284,850	0	0	9	1,262,100	0	0	37	2,546,950
MINNESOTA	52	1,867,450	2	585,000	4	656,000	4	1,573,502	62	4,681,952
MISSISSIPPI	115	3,622,340	0	0	2	79,000	4	2,671,555	121	6,372,895
MISSOURI	51	687,755	6	1,362,900	10	1,118,600	15	4,555,772	82	7,725,027
MONTANA	62	2,811,150	8	1,176,881	3	739,400	3	1,225,000	76	5,952,431
NEBRASKA	132	4,707,680	2	245,000	8	1,586,300	4	987,000	146	7,525,980
NEVADA	20	368,530	2	695,000	0	0	0	0	22	1,063,530
NEW HAMPSHIRE	0	0	0	0	1	225,000	1	288,000	2	513,000
NEW JERSEY	7	143,200	1	75,000	0	0	0	0	8	218,200
NEW MEXICO	53	2,224,950	4	638,190	4	913,500	6	2,488,960	67	6,265,600
NEW YORK	24	668,300	0	0	4	549,000	3	649,000	31	1,866,300
NORTH CAROLINA	38	1,394,450	8	1,844,837	3	418,000	11	4,436,710	60	8,093,997
NORTH DAKOTA	37	2,508,080	3	930,000	2	292,500	0	0	42	3,730,580
OHIO	44	818,875	1	152,200	28	4,346,700	42	10,352,352	115	15,670,127
OKLAHOMA	373	16,689,950	14	4,310,844	145	22,973,155	29	12,842,735	561	56,816,684
OREGON	39	1,022,670	0	0	2	503,650	2	835,000	43	2,361,320
PENNSYLVANIA	100	6,060,110	4	544,000	13	2,791,000	5	1,807,000	122	11,202,110
PUERTO RICO	67	2,652,929	4	1,070,000	12	1,749,150	10	3,754,277	93	9,226,356
RHODE ISLAND	2	170,000	0	0	0	0	0	0	2	170,000
SOUTH CAROLINA	50	3,444,090	5	387,290	7	1,223,240	11	5,266,916	73	10,321,536
SOUTH DAKOTA	99	6,086,175	5	638,744	10	1,847,100	6	2,360,575	120	10,932,594
TENNESSEE	47	1,466,280	2	1,199,071	12	1,615,980	6	3,057,668	67	7,338,999
TEXAS	308	11,472,700	4	654,500	38	6,976,640	9	7,910,000	359	27,013,840
UTAH	69	2,164,520	0	0	7	1,267,000	0	0	76	3,431,520
VERMONT	10	353,500	2	90,000	0	0	5	1,105,400	17	1,548,900
VIRGIN ISLANDS	0	0	0	0	1	200,000	0	0	1	200,000
VIRGINIA	51	2,465,940	2	615,000	9	1,402,500	6	2,389,000	68	6,872,440
WASHINGTON	112	5,734,120	3	295,000	7	1,522,000	0	0	122	7,551,120
WEST PAC TERR	3	123,500	0	0	1	49,500	0	0	4	173,000
WEST VIRGINIA	36	740,500	0	0	4	658,000	2	763,600	42	2,162,100
WISCONSIN	82	2,374,210	3	170,000	17	2,442,680	14	5,814,100	116	10,800,990
WYOMING	17	428,150	1	120,000	1	300,000	2	1,167,000	21	2,015,150
TOTAL	3,569	136,869,937	206	53,778,036	478	79,788,940	298	133,480,036	4,551	403,916,949

Mr. Aderholt: Please provide a ten-year funding history of the down payment loan program.

Response: This information is provided for the record.

[The information follows:]

Down Payment Loans:	
Fiscal Year	Amount Obligated
2004	$6,455,626
2005	$6,138,460
2006	$4,825,083
2007	$4,723,240
2008	$13,144,965
2009	$133,678,735
2010	$170,004,815
2011	$182,615,207
2012	$175,475,217
2013	$83,027,012
2014	$215,308,174

NOTE: FY 2014 data is as of 03/31/2014.

Mr. Aderholt: How many producers received down payment assistance through this program in fiscal years 2009 through 2013 and how many are estimated to receive it in fiscal year 2014?

Response: This information is provided for the record. Please note: we are unable to project how many down payment loans will be made in FY 2014, but as of 03/31/2014, we have made 1,316 down payment loans.

[The information follows:]

Down Payment Loans:	
Fiscal Year	Number of Loans
2009	977
2010	1,225
2011	1,246
2012	1,187
2013	547

Mr. Aderholt: What is the average amount in down payment assistance provided to producers?

Response: The average amount of a down payment loan was $136,826 in FY 2009; $138,779 in FY 2010; $146,561 in FY 2011; $147,831 in FY 2012, and $151,786 in FY 2013. So far in FY 2014, the average down payment loan is $163,608.

Mr. Aderholt: For the Supplemental Revenue Assistance Payment Program or SURE, FSA documents carry a statement that says: "Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage." What additional risks are borne by this policy and under what authority allows FSA to take on this increased risk?

Response: Statutory language found in the 2008 Farm Bill at Title XV Sec. 901 (g) (3) specifically waives the risk management purchase requirement for Socially Disadvantaged (SDA), Limited Resource (LR), and Beginning Farmer (BF) and requires the Secretary to provide disaster assistance at a level that the Secretary determines to be equitable and appropriate. For those producers who certified as SDA, LR, BF, SURE assistance was offered at the basic NAP or CAT level coverage (50 percent yield/55 percent price) in calculating benefits.

Mr. Aderholt: As USDA shifts more ownership and operating loans to beginning farmers and/or members of socially disadvantaged groups, is the Agency doing so at the risk of not supporting a greater share of small and medium size producers that are capable of delivering greater returns on investment and delivering greater efficiency and productivity?

Response: The direction of funding to beginning and socially disadvantaged (SDA) farmers is a statutory requirement (7 U.S.C. §1994(b) (2) and 7 U.S.C. §2003). The 2008 Farm Bill increased the reservation of funds for beginning farmers (Food, Conservation and Energy Act of 2008, Sec. 5302(b)). Since the average age of farmers in the last Census of Agriculture was 57, and beginning farmers cite credit as one of the largest barriers confronting them (according to the National Young Farmer Coalition's 2011 study "Building a Future with Farmers"), a focus on beginning farmers in particular is consistent with efforts to strengthen, support and increase the number of small and medium sized producers. It should be noted that improvements in program performance over the past several years have occurred simultaneously with the shift toward increased financing of beginning and SDA farmers, particularly in the direct loan program. This is an indication that these producers are performing well, and are likely as or more productive and efficient than those producers financed prior to implementation of the statutory funding targets for beginning and SDA farmers.

CCC Expenditures

Mr. Aderholt: What is the annual cost to cover the contracts that the CCC has with the commercial warehouse operators for the storage of Government-owned commodities?

Response: Storage costs paid by CCC were $540,919 in FY 2013, as CCC had virtually no inventory. The costs to administer 6,389 storage agreements in FY 2013 for Cotton (363), Processed Commodities (113), Peanuts (308), Sugar (89), and Grain and Rice (5,516) were $1,305,595.75.

Mr. Aderholt: Provide a table for the record that shows the location of each facility along with the annual cost for each facility.

Response: CCC does not rent warehouse space to store its commodities. Instead, CCC enters into various storage agreements (Grain & Rice, Sugar, Processed Commodities, Cotton and Peanuts) under which CCC only pays the warehouse operator when there are CCC-owned commodities in store.

Mr. Aderholt: Provide a table for the record that shows CCC owned inventories by commodity and by location.

This information is provided for the record.

[The information follows:]

CCC Inventory Location	Commodity	Type	Quantity (Short Tons)
Georgia- Concordia (Golden DMA	Peanuts	Runner	4.99
Georgia- Concordia (Golden DMA)	Peanuts	Spanish	1764.71
Oklahoma- Caddo County	Peanuts	Spanish	2625.46
Texas- Gaines County	Peanuts	Spanish	1664.81
TOTAL CC Inventory			6.059.97

CCC Subsidizing Bio-Based Jet Fuel

Mr. Aderholt: According to page 26-5 of the fiscal year 2015 explanatory notes, the CCC will make available up to $170,000,000 to subsidize the production of bio-based jet fuel in an agreement with the Department of Energy and the Navy.

Mr. Aderholt: What is the status of this project?

Response: The project is in the solicitation phase. The Department of the Navy has finalized contract administration arrangements with the Defense Logistics Agency. The Farm Service Agency has drafted the Interagency Agreement between the Commodity Credit Corporation and the Defense Logistics Agency. The Defense Logistics Agency anticipates a contract award in second quarter, Fiscal Year 2015.

Mr. Aderholt: How much bio-based jet fuel have they produced?

Response: Because the project is still in the planning phase, a contract has not been awarded; therefore no bio-based jet fuel has been produced for this project.

Mr. Aderholt: What is the overall cost to U.S. taxpayers to subsidize the production of bio-based jet fuel?

Response: The Memorandum of Understanding (MOU) signed by the Secretary of the Navy, Secretary of Energy and Secretary of Agriculture in June 2011 commits $510,000,000 to the bio-based jet fuel project.

Mr. Aderholt: How did the USDA arrive at $170,000,000?

Response: The $510,000,000 agreed to in the MOU is divided equally among the three participating parties at a cost of $170,000,000 each.

Mr. Aderholt: As the notes state, there is "no existing viable commercial source for the large-scale production of such fuel." Why does the Department believe that such a large-scale production can lead to an economically viable production model?

Response: The current economic environment, significant start-up risks, and competitive barriers posed by the firmly established crude oil markets, industry will not assume all of the uncertainty and risk associated with providing a commercially viable production capability for advanced drop-in biofuels. Therefore, it is necessary that the Federal Government cooperate with industry to create a strong demand signal and make targeted investments to achieve economically viable production capacity.

Mr. Aderholt: Under the Department's justification of the use of CCC funds for this purpose, what would Section 5(e) of the CCC Charter Act authorize and what would it not authorize?

Response: The bio-based jet fuel project is authorized under Section 5(e) of the Commodity Credit Corporation Charter Act, which authorizes the Commodity Credit Corporation to develop or aid in the development of new and additional domestic markets for agriculture.

Discrimination Lawsuits and Settlements

Mr. Aderholt: The New York Times published an article ("U.S. Opens Spigot After Farmers Claim Discrimination" – April 25, 2013) detailing the paper's in-depth investigation of USDA's settlement of a few high profile discrimination settlements that could cost as much as $4.4 billion. This article includes some troubling statements from current and former officials, which if true, indicate millions of taxpayer dollars wasted because of fraud and abuse.

Mr. Aderholt: Please provide an update on the claims made in this article.

Response: The New York Times article focused on the Pigford I settlement process intended to address past claims of alleged discrimination against African-Americans, but failed to acknowledge additional safeguards put in place under the Obama Administration prior to carrying out new claims processes and failing to address the history preceding the settlement.
This Administration has made it a priority to ensure that all Americans get equitable service from USDA. We have taken steps to prevent discrimination from happening in the future, but we also recognize the importance of providing a path to justice for those who alleged that they were discriminated against in the past and can provide appropriate evidence of the alleged discrimination.

An important part of this process came through settlements with certain African-American, Native American, Hispanic and female producers. But prior to opening the Pigford II and other claims processes, USDA ensured that each would be led by a neutral, third-party adjudicator. We ensured that each of the processes require documentary evidence in order for a claimant to prevail. Finally, all potentially fraudulent claims are referred to the appropriate federal authorities for investigation - and while cases have been referred to the FBI, the FBI has convicted very few individuals. In criticizing the Pigford I process, the New York Times article ignored these significant efforts to safeguard taxpayer dollars.

Mr. Aderholt: What additional controls or reviews have been put in place to discover additional cases of wrongdoing in claims or payments made?

Response: Each claims process was designed with two important goals in mind. First, to provide a pathway to justice for those who were wronged in the past. Second, to do so in a way that safeguards taxpayer dollars and contains adequate protection from fraud and abuse. Each claims process has been led by a neutral, third-party, independent adjudicator. Each claims process requires documentary evidence in order for a claimant to prevail.

USDA and all parties involved take allegations of fraud seriously, and each of the claims resolution processes reflects a desire to provide a path to justice while preventing fraudulent claims. Each claims process empowers the Claims Adjudicator to require a claimant to submit additional documentation and evidence if, in the Adjudicator's judgment, the additional documentation and evidence would be necessary or helpful in deciding the merits of the claim, or if the Adjudicator suspects fraud regarding the claim.

Referrals of any claims that appear fraudulent are made by USDA, Class Counsel, the Ombudsman, and/or the Adjudicator to USDA's Inspector General, the Department of Justice, the appropriate US Attorney's Office, or any other appropriate agency. The Department of Justice and/or the appropriate US Attorney's Office on their own initiative may then consider claims that appear fraudulent and/or refer them to an appropriate law enforcement authority.
In December 2012, GAO released a report finding that the claims process for Pigford II provides reasonable assurance that fraudulent or otherwise invalid claims could be identified and denied. In addition, the USDA Office of Inspector General has also performed a detailed audit of the Pigford II claims process, available publicly at http://www.usda.gov/oig/webdocs/50601-0001-21.pdf. The USDA Inspector General also concluded that the Neutral's definitions of suspicious patterns were reasonable, and that the invalid claims identified and denied by the Neutral actually contained the questionable attributes associated with a suspicious pattern.

Mr. Aderholt: In response to questions raised about the use of the Judgment Fund to pay settlements, please provide an OGC opinion as to how USDA justified using this fund under 31 U.S.C. 1304.

Response: USDA does not have the legal authority to make any decisions concerning the Judgment Fund. For all settlements in cases involving the Government, the attorneys of the Department of Justice possess the legal authority regarding use of the Judgment Fund.

Mr. Aderholt: What is the current status of the Pigford Case in terms of claims, payments, unobligated funds, and open obligations?

Response: At the time of the issuance of the Monitor's final report on March 31, 2012:

Approximately 22,721 claimants were determined eligible to participate in the Pigford I Claims Process. Out of that total, 22,552 elected to proceed under the Track A process and 169 claimants elected to proceed under the Track B process.

Approximately 15,645 claimants prevailed under the Track A process (a 69% success rate) and 104 claimants prevailed under the Track B process (a 62% success rate).

The Government provided a total of $1.06 billion dollars in cash relief, tax payments and debt relief to prevailing claimants.

The final Pigford Monitor's report, publicly available at http://www.dcd.uscourts.gov/pigfordmonitor/reports/Rpt20120331_final.pdf includes detailed tables concerning the specific numbers of claims and payments made in each track of relief. There is potentially one outstanding claim. In August 2013, the District Court issued a decision vacating a prevailing Pigford I claimant's Track A decision and ordering that he be given a Track B hearing. The Government appealed this decision and is awaiting a ruling by the United States Court of Appeals for the District of Columbia Circuit.

National Agricultural Imagery Program

Mr. Aderholt: How much did FSA spend on the National Agricultural Imagery Program in fiscal years 2012 and 2013 and how much does the Agency plan to spend in fiscal years 2014 and 2015? Please provide detail on the types of expenses in this program.

Response: The National Agriculture Imagery Program (NAIP) program strives to ensure that products are current, accurate, and timely. Products should be of a predefined resolution and meet coverage needs defined by user requirements. NAIP imagery is acquired by contractors, and funded by FSA and federal funding partners. The cost share model is based on agency requirements; with FSA funding based on maximizing the number of States acquired each year within the contiguous US at 1 meter resolution, and making the imagery available within 45 days of acquisition. In 2014, 25 States were acquired, with preliminary versions of the imagery available for 22 States within 5 days of acquisition via image services hosted by NAIP contractors. NAIP funding partners, including US Forest Service, NRCS, the Department of the Interior, and the International Boundary and Water Commission, contributed $5.081 million, or 34% of total acquisition costs, for NAIP imagery in FY 2014. FSA and funding partners are planning to fund FY 2015 NAIP acquisition at levels similar to FY 2014. The exact number of States cannot be determined at this point, since the number depends on contract bids that will be due in the April 2015 time frame, and on the size of the States that are prioritized for acquisition in 2015. It is expected, however, that a minimum of 20 States will be acquired in FY 2015.

This information is provided for the record.

[The information follows:]

NAIP Funding Summary - Amounts in Thousands ($000)

Funding Source	FY2012 Actual	FY2013 Actual	FY2014 Operating	FY014 Actual	FY015 Planned
S&E	0	0	$730	$730	0
Advances & Reimbursement (NAIP Partnerships) a/	**$5,400**	**$4,894**	**$5,114**	**$5,114**	**$5,081**
Natural Resources Conservation Service (NRCS)	$1,700	$1,294	$1,710	$1,710	$1,710
Department of the Interior (DOI)	$1,900	$1,900	$1,900	$1,900	$1,900
US Forest Service (FS)	$1,800	$1,700	$1,441	$1,441	$1,441
International Boundary and Water Commission	0	0	$63	$63	$30
CCC Section 4	$11,747	$9,624	$9,411	$9,393	$10,141
Total, FSA Funding	$17,147	$14,518	$15,255	$15,237	$15,222

a/ NAIP Partnerships include 3 Federal Agencies (US Forest Service, Natural Resources Conservation Service, the Department of the Interior, and the International Boundary and Water Commission (Department of State)

NRCS Audit and Financial Management Systems

Mr. Aderholt: Please update the Committee on the status of the audit and NRCS's plans to modernize and standardize its financial management system.

Response: NRCS continues to strive to improve its audit position. The FY 2013 financial audit resulted in four material weaknesses and one significant deficiency. NRCS has been able to reduce the number of material weaknesses while improving its overall financial condition. The agency continues to make improvements in the areas of accounting for property, plant, and equipment, unfilled customer orders, and unliquidated obligations. The improvements in these account balances will position NRCS to improve its ability to achieve an audit opinion.

In addition, the continued remediation efforts related to information technology access controls reduced the finding from a significant deficiency to a management comment.

NRCS has refocused its audit remediation efforts to look at root causes, conduct data analysis, and work collaboratively with the Department and internal NRCS offices. This effort has identified key areas for improvement and ensures corrective actions have the maximum impact achievable. The agency's goal is to obtain a qualified opinion no later than FY 2015 with a clean opinion to follow shortly thereafter.

The FY 2014 audit is currently underway. The auditors have reviewed mid-year data, visited eleven State offices, and are preparing for yearend testing. Testing based on July and September balances will continue through late October. Final results will be available early November.

NRCS converted to USDA Federal Modernization Management Initiative (FMMI) System in April 2012. FMMI is the Department's financial management system and provides consistency, stability, and uniformity across USDA agencies. NRCS continues to work with the Department to enhance FMMI functionality and has made significant strides in the area of reporting this year. Upgrades have been made to assist in managing obligations and advances, FTE's have been added to salary reports, and NRCS has built a number of custom reports to manage specific types of activity. NRCS will be spending time training state personnel on the use of these reports in the coming months.

Mr. Aderholt: Last year, the Committee was told by the Chief Financial Officer that within one to two fiscal years NRCS will achieve a clean audit. Is this still accurate? If not, when will the agency be able to celebrate a clean audit?

Response: NRCS continues to strive to improve its audit position. The Agency continues to make improvements in the areas of accounting for property, plant, and equipment, unfilled customer orders and unliquidated obligations. The improvements in these account balances will position NRCS to improve its ability to achieve an audit opinion.

In addition, the continued remediation efforts related to information technology access controls reduced the finding from a significant deficiency to a management comment.

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Conversation Compliance

Mr. Aderholt: What effect with the farm bill's linkage of conservation compliance and crop insurance have on NRCS's workload?

Response: Conservation compliance is concerned with annual commodity crop production on highly erodible land. It also seeks to address both conversion of and production of commodity crops on wetlands. Under the Agricultural Act of 2014 ("2014 Farm Bill"), failure to comply with the conservation compliance provisions will result in the person becoming ineligible for any portion of the crop insurance policy's premium that is paid for by the Federal Crop Insurance Corporation (FCIC) - commonly referred to as premium subsidy or premium assistance.

For highly erodible land (HEL) compliance, a producer must not plant or produce an agricultural commodity on highly erodible fields unless actively applying an approved conservation plan or maintaining a fully applied conservation system.

For wetlands conservation compliance, a producer must not plant or produce an agricultural commodity on a converted wetland, or convert wetlands by draining, dredging, filling, leveling, removing woody vegetation or any other activity that results in impairing or reducing the flow

and circulation of water in order to make the production of an agricultural commodity crop possible.

NRCS has the responsibility of making HEL and Wetland determinations for producers affected by conservation compliance. Additionally, NRCS has the responsibility of assisting producers with the development of conservation plans on highly erodible land.

The USDA's Risk Management Agency (RMA) has indicated that approximately 10,000 to 14,000 producers could be subject to the compliance requirements in the 2014 Farm Bill. However, many of these producers may not be producing agricultural commodities, may have a "legacy" conservation plan, or may not have taken any actions that would warrant a wetland determination. It is estimated that approximately 25 percent of these producers will need either a HEL/Wetland determination or a conservation compliance plan, or both. Each HEL/Wetland determination takes NRCS approximately 12 hours of technical assistance (TA) to complete. Each conservation compliance plan takes NRCS approximately 20 hours of TA to complete.

NRCS expects the linkage of conservation compliance and crop insurance to account for an increase of approximately 60,000 hours of TA workload in FY 2015.

Mr. Aderholt: What is NRCS's role in this new requirement?

Response: With the re-linking of crop insurance premium subsidies to conservation compliance, NRCS's role has not changed, but additional workload will be imposed on the agency. NRCS will continue to make Highly Erodible Land and Wetland technical determinations for the purpose of assisting program participants in compliance with the conservation provisions. This role has expanded, however, with the addition of several new "crop insurance" exemptions to the provisions. Most notably, the 150 percent "payment in lieu of mitigation" for wetland conversions less than 5 acres in size will need to be implemented. NRCS will need to develop a means for calculating the cost of mitigation, collect the funds, and develop a program for expending the funds to be used for wetland restoration.

Mr. Aderholt: How much of NRCS's workload is devoted to ensuring compliance with farm programs?

Response: NRCS conducts Food Security Act of 1985 status compliance reviews each year on a randomly-identified sample of cropland tracts provided to the Agency by the Farm Service Agency. A percentage of tracts owned by USDA employees are included in the list of tracts to be reviewed.

The amount of time spent on each status review is tracked by the agency in an NRCS database. Below is a table that represents the time that NRCS spends on conservation compliance status reviews. This table does not include time spent on compliance appeals, training, updating policy, software updates, and quality assurance.

Time Spent Conducting Compliance Reviews
(All Types)[2]

	2008	2009	2010	2011	2012	2013[1]
Hours	63,048	54,090	50,610	66,849	65,488	65,004
Cost	$3,957,644	$3,503,047	$3,394,120	$4,450,215	$4,375,709	$4,405,041

1/Cost figure is based on Agency average hourly salary plus estimate for benefits and non-salary support.
2/The numbers in the table do not include the time spent on HEL or Wetlands Determinations.

Improper Payments in FFAS Program

Mr. Aderholt: The Improper Payments Information Act (IPIA) of 2002 requires Federal Agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments. FSA and RMA have a few relatively high improper payment rates in their programs. In March 2013, USDA's OIG issued a report entitled: "U.S. Department of Agriculture Improper Payments Elimination and Recovery Act of 2010 Compliance Review for Fiscal Year 2012." According to the report, USDA delivers approximately $144 billion in public services annually through more than 300 programs. Of the 29 component agencies and offices that operate these programs, 7 component agencies – including RMA and FSA – currently administer "high-risk" programs that are vulnerable to significant improper payments.

Programs in the Farm and Foreign Agricultural Mission Area don't come close to the School Lunch or School Breakfast Programs at 15.53 and 25.18 percent respectively, but it is imperative that USDA reduce or eliminate improper payments across the board. In regards to RMA, the report says -- "RMA reported that FCIC improper payments were approximately $173 million, a 4.08 percent error rate. However, because of RMA's sampling methods, OIG believes that this estimate may have been understated."

Please describe the sampling model evaluated by USDA's OIG.

Response: The current measurement plan takes the sample results for reviews conducted on each of the past three crop years and averages them into a single fiscal year error rate. RMA reviews a random sample of 50 policies from the previous reinsurance year with an indemnity greater than $2,500. The reviews do not assess whether the amounts of premium subsidy and administrative and operating expense (A&O) subsidy applicable to the policy were determined correctly, nor do the reviews consider policies on which no indemnity was paid. This normally results in the review of 900 policies with indemnities every three years. Corrective actions are taken on all discrepancies found during the testing, findings issued, and results captured and used to establish the program's improper payment rate.

The Office of Inspector General (OIG) issued a report in September 2009 noting important limitations of the methodology, among them not accounting for all categories of potential improper payments (e.g., premium subsidy), providing disproportionate weight to the smaller Approved Insurance Providers (AIP), and drawing too small of a sample to be statistically valid.

Mr. Aderholt: Please describe the actions RMA has taken/continues to take to develop a new sampling method in order to arrive at a more accurate means of calculating improper payment rates.

Response: RMA is working diligently with USDA/OCFO, OMB, and OIG to address concerns with the current measurement plan. A statistically valid sampling methodology and review and reporting process has been submitted to OMB and OIG and is pending approval. This methodology will provide the agency with more sampling confidence, the ability to better identify root causes for errors, and thus develop more effective corrective actions.

Mr. Aderholt: Provide a detailed explanation of what the RMA has done in each of the last three fiscal years to improve program integrity in the crop insurance program, including efforts to identify the causes of improper payments and actions taken to reduce improper payments?

Response: RMA employs a multi-faceted approach to improving program integrity. Approved Insurance Providers (AIPs) enter into a Standard Reinsurance Agreement (SRA) and Appendices that outline specific internal control requirements to address potential areas of fraud, waste, and abuse. RMA continuously monitors crop insurance programs to assess and improve program parameters and procedures in all areas to control program vulnerability.

- RMA has made changes to its information systems to allow AIPs access to existing information available in both the Risk Management Agency and Farm Service Agency records to facilitate the identification of policyholders who do not qualify as "New Producers.

- RMA revised the Special Provisions of Insurance for prevented planting to replace language regarding normal weather determinations with another more objective standard to apply when determining if acres are available for planting. This new more objective standard was incorporated for crops with a contract change date on or after November 30, 2013, effective for the 2014 crop year.

- Beginning in May of 2014 the Agency is partnering with other USDA Agencies and the Social Security Administration for an information exchange for the Death Master File, which holds death record data from SSA's Death Master File (DMF), and includes death data reported by the States (State death data). This will aid in ensuring proper payments.

- A National Program Operations Review (NPOR) identified that the crop insurance program was vulnerable because the Standards for Approval for the SRA defined above did not contain any requirements for companies to ramp up their infrastructure to ensure they had contingencies in the event of changes such as business increases or large loss events. Beginning with the 2014 reinsurance year, new entrants' Plan of Operations are more thoroughly reviewed against SRA requirements, and additional documentation must be submitted by the company showing they have the necessary business processes and resources in place and operational in key areas prior to their approval.

- For the 2014 reinsurance year, RMA has developed a supplemental review process that monitors new entrants' capacity to maintain sufficient resources to remain compliant with program policies and procedures, and the administration of the Federal crop insurance

program and SRA. This process remains in place through the first few business cycles of new entrants and supplements RMA's NPOR.

- RMA is making significant progress in preempting fraud, waste and abuse through the expanded use of data mining. Data mining is an interdisciplinary field of computer science that is used to extract knowledge from large volumes of data for purposes of discovery, predictive modeling, and forensic analysis. Data mining was authorized in the Agricultural Risk Protection Act of 2000 (ARPA) to administer and enforce crop insurance program compliance and integrity initiatives. Data mining is used to detect anomalous behavior suggestive of fraud, waste and abuse, related to a crop, geographic area, policyholder, insurance agent, loss adjuster, or reinsured company. In general the analyses identify individuals that have larger and more frequent losses than other farmers in the area. On an annual basis, data mining is used by RMA to produce a spot-check list of farmers with anomalous claim outcomes that is provided to Farm Service Agency (FSA) and the Approved Insurance Providers (AIPs) for further investigation. Spot-check list is compiled by evaluating loss histories for scenarios suggestive of fraud, waste and abuse (e.g., yield switching) and FSA and AIPs conduct monitoring activities of identified individuals to deter suspect behaviors. Being placed on the spot check list does not mean that a farmer has engaged in fraudulent activities. Rather, it means only that the experience of the farmer is "not consistent" with that of their peers and warrants further scrutiny. These efforts have been highly successful as the cumulative cost avoidance from this effort over the past years approach $1 billion.

- RMA is now obtaining and making available to its offices and AIPs climate and weather services from the Parameter-elevation Regressions on Independent Slopes Model (PRISM) climate mapping system at Oregon State University. The PRISM data and analytical tools will allow analysts, investigators and loss adjusters to validate both the occurrence and severity of weather events that are the basis of a claim down to a localized level.

- RMA continues to expand its use of satellite imaging technologies. Satellite imagery has been used successfully in individual compliance investigations, large claim reviews, and National Appeals Division hearings as the satellite imagery often represents the only unbiased snapshot of a time and place. Satellite imagery also has provided valuable assistance in numerous successful civil and criminal prosecutions and plea agreements of individuals for fraudulent crop insurance activities.

Mr. Aderholt: What is the current payment error rate, both as a percentage and in dollars, for RMA?

Response: The 2013 improper payment rate is 5.23% while the dollar amount of errors is $566 million.

Mr. Aderholt: What are the reasons that the Noninsured Assistance Program error rate is so high? What are you doing to address this payment error rate?

Response: NAP improper payments were primarily attributable to administrative errors that prevented FSA from reaching the targeted annual reduction rate. Causes of improper payments include: incorrect total production used to calculate payment; incorrect crop acreage used to calculate payment; untimely filed application for payment. Since 2011, FSA has been transitioning to a fully integrated web based software application for NAP which is expected to

assist in the reduction of future administrative and documentation errors. It is important to reference that FSA has made significant strides in decreasing the error rate since FY 2011 from 8.97 percent to 5.23 percent in FY 2013 and only missed the FY 2013 targeted rate by .26 percent.

Federal Crop Insurance Corporation Fund

Mr. Aderholt: What is the reason for the $565,000,000 beginning-of-year balance in the Federal Crop Insurance Corporation Fund for fiscal year 2014 that is shown in the project statement on p. 25-19? Does the FCIC Fund typically carry an end-of-year balance in excess of $550,000,000? Why?

Response: FCIC carries forward select funds annually. At a minimum, FCIC will carry forward $538 million. Section 1504 (a) of the Federal Crop Insurance Act (Act) authorizes capital stock of $500 million and an additional $38 million is available from paid-in-capital. In addition, contingency funds are held, as authorized by section 516(c) of the Act. Contingency funds totaled $27 million at the end of FY 2013, and grow on average by about $2 million annually from the collection of civil fines and penalties. Contingency funds would potentially be used to offset expenses incurred by FCIC to administer an Approved Insurance Provider's book of business in the event of a catastrophic event such as insolvency or operational deficiency.

Mr. Aderholt: Provide a detailed breakout of the $55,860,000 and $39,000,000 Federal Crop Insurance Act Initiatives for fiscal years 2012 and 2013 as shown in the project statement. How will the $62,000,000 be spent in fiscal years 2014 and 2015?

Response: The information is provided for the record.

[The information follows:]

FEDERAL CROP INSURANCE INITIATIVES

	FY 2012 Actuals	FY 2013 Actuals	FY 2014 Estimated	FY 2015 Estimated
Section 515:				
Data Mining	$4,000,000	$4,000,000	$4,000,000	$4,000,000
Information Technology	0	0	14,000,000	14,000,000
Section 516, Policy Consideration and Implementation	3,087,581	2,184,618	12,500,000	12,500,000
Section 522, Research & Development	19,395,282	17,198,801	20,000,000	20,000,000
Section 523, Pilot Programs	19,431,594	11,426,701	0	0
Section 524, Education and Information Programs	9,946,027	9,970,131	10,000,000	10,000,000
TOTAL 1/	55,860,484	44,780,251	60,500,000	60,500,000

1/ Display revised in FY 2015 President's Budget to reflect only administrative in nature, sequesterable expenses. This excludes RMA Pilot Programs. The amounts for FY 2014 and FY 2015 were incorrect on the RMA/FCIC Project Statement but were correct on page 25-20 of the FY 2015 Explanatory Notes (Justification of Increases and Decreases).

Mr. Aderholt: Provide a detailed breakout of the $20,000,000 in Program Related IT for fiscal year 2014. What is RMA buying with these funds? What is the plan for the $20,000,000 expenditure for this purpose in fiscal year 2015?

Response: RMA only expects to obligate $5.588M from CAT fees for Program Related IT in FY 2014 due to legislative changes in the 2014 Farm Bill. All $5.588M was spent on Systems Development and Enhancement, Data Purchasing, Infrastructure/Security Support, Software Maintenance, and FEDSIM Contract Fees. In FY 2015, RMA will use approximately $3M for Data Purchasing.

Mr. Aderholt: What is the purpose of the "Other Adjustments (Net) Farm Bill" line that is shown for fiscal years 2012 through 2015 in the project statement shown on p. 25-19?

Response: The other adjustments line is shown for fiscal years 2012 through 2015 in the project statement to show collections from Producer Paid Premium and Fees.

GAO's Annual Report on Federal Government Overlap and Duplication

Mr. Aderholt: The Government Accountability Office (GAO) publishes an annual report on ways the Federal government might find savings by eliminating overlap, duplication or generally unnecessary programs. In particular, GAO's 2013 Annual Report published in April 2013 suggests that the Agency should explore applying limits on premium subsidies to individual farmers participating in the federal crop insurance program, similar to the payment limits for other farm programs, and could save billions of federal dollars over 5 years.

Is this something that RMA has looked at as a means to save money on the mandatory side?

Response: General reductions to the premium subsidy rate have been proposed in the President's Budget that result in reduced program costs. RMA believes the proposals included in the President's Budget are the best ways to provide a strong safety net for producers while reducing taxpayer expenditures.

Mr. Aderholt: What would be some of the ramifications of such a proposal?

Response: RMA does not anticipate that these reforms will reduce producer enrollment. Rather, it is expected that farmers will be rational actors and shift their level of coverage based on changes in prices. The Administration's proposal are considered modest reductions on the premium subsidy, which we don't believe is enough to make the program unattractive to the current users. There is likely to be some shifting of coverage to a lower percentage, but given that the average coverage level in the program is currently 70%, coverage at 65% on average would still provide a robust safety net, even in times of drought. In addition, these proposals would have no effect on CAT coverage, so those farmers covered by CAT would experience no change.

Proposed Legislation

Mr. Aderholt: RMA assumes fiscal year 2015 savings related to five legislative proposals, including savings of $691.6 million in 2015 and $14.3 billion over 10 years in the crop insurance program.

When will the legislation be submitted?

Response: The Administration will work closely with Congress to provide technical assistance regarding the specific legislative language needed to implement the proposals contained in the President's fiscal 2015 budget.

Mr. Aderholt: How did the program arrive at this savings estimate?

Response: The savings estimate was based on a combination of factors: the current amount of crop insurance premium volume, baseline projections of how the premium volume will change over time, and how growers might react to the decrease in subsidies in their purchasing decisions.

Mr. Aderholt: If this legislation were to be submitted, and enacted, how long would it take the RMA to revise rules/regulations to make this change?

Response: Simple changes to the premium subsidy rates can be implemented fairly soon, as long as the crop's contract change date has not occurred. The first contract change date for the 2016 crop year is April 30, 2015. If legislation is enacted after a crop insurance contract change date has occurred, then any new premium subsidy rates for the applicable crop and contract change date would be implemented for the following crop year.

Mr. Aderholt: What are the circumstances where the government currently subsidizes more than 50 percent of the premium?

Response: The current premium subsidy rate are shown in the table below. They vary by coverage level, plan type (individual, area), coverage type (yield coverage, revenue coverage), and unit type (optional units (OU), basis units (BU), or enterprise units (EU)). Policies that provide catastrophic coverage (CAT) are one hundred percent subsidized.

Current Subsidy

			Coverage Level								
Plan Type	**Cov Type**	**Unit Type**	**50%**	**55%**	**60%**	**65%**	**70%**	**75%**	**80%**	**85%**	**90%**
Individual	**Yield or Revenue**	**OU/BU**	67%	64%	64%	59%	59%	55%	48%	38%	
		EU	80%	80%	80%	80%	80%	77%	68%	53%	
Area	**Yield**	**Other**					59%	59%	55%	55%	51%
	Revenue	**Other**					59%	55%	55%	49%	44%

Mr. Aderholt: What is the date that this legislation would have to be enacted in order to produce savings of $691.6 million in fiscal year 2015, or would RMA be able to achieve these savings regardless of date of enactment?

Response: To obtain the full savings for 2015, legislation would need to have been enacted by April 30, 2014, which is the first contract change date for the 2015 crop year. November 30, 2014 is the last major contract change date for 2015. If legislation is enacted after that date, no savings can be realized for 2015.

Mr. Aderholt: What are the estimated savings in each of the outyears 2-10 to arrive at the $14.3 billion figure?

Response: The fiscal year savings estimates for 2015 budget proposals are provided in the table below. Information is provided for the record.

[The information follows:]

	Year										10-Year
Proposal	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
SRA Return Reduction			$133.2	$133.4	$135.6	$142.5	$150.8	$156.3	$160.9	$166.8	**$1,179.5**
A&O Reduction		$383.4	$369.9	$356.2	$342.3	$328.2	$313.9	$299.3	$284.6	$269.6	**$2,947.5**
3-Point Prem Subs Reduction for those rates over 50%	$264.3	$324.2	$351.1	$367.8	$388.0	$402.7	$415.2	$430.4	$442.9	$447.9	**$3,834.5**
An Additional 4-Point Reduction to Premium Subsidies for High Price Option (HPO)	$426.3	$523.9	$581.2	$608.2	$641.2	$665.6	$686.6	$711.9	$732.6	$741.1	**$6,318.6**
Wild Salmon	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1	**$10**
										Total:	**14,290.1**

Mr. Aderholt: A legislative proposal involves the establishment of a "reasonable rate of return to participating insurance companies" or a cap of 12 percent.

How would this proposal work?

Response: If this legislative proposal were to be enacted, the reinsurance terms in the Standard Reinsurance Agreement (SRA) for the next reinsurance year (which begins on July 1 of each calendar year) would be revised such that the expected return on retained premium for insurance companies is 12 percent.

Mr. Aderholt: When will the legislation be submitted?

Response: The Administration will work closely with Congress to provide technical assistance regarding the specific legislative language needed to implement the proposals contained in the President's Fiscal 2015 budget.

Mr. Aderholt: How did the program arrive at this savings estimate?

Response: The expected return under the current SRA is around 14 percent of retained premium. The savings estimate was based on the reduction of underwriting gains paid to insurance companies from 14 to 12 percent of retained premium, using baseline projections of premium volume.

Mr. Aderholt: If this legislation were to be submitted, and enacted, how long would it take the RMA to revise rules/regulations to make this change?

Response: The SRA is a series of year-to-year contractual agreement between the Federal Government and insurance companies. If the legislation were enacted before July 1, 2015 (when the 2016 SRA goes into effect), it would be implemented for the 2016 reinsurance year. Otherwise it would be implemented for the 2017 reinsurance year.

Geographic Breakdown of Obligations and Staff Years

Mr. Aderholt: The crop insurance program Geographic table shows $ 3,118,406,000 and $2,880,044 of undistributed obligations for fiscal years 2012 and 2012 respectively.

Mr. Aderholt: Please provide a table that breaks these costs down by Delivery Expenses, FCIA cost, Interest, Underwriting (gains/losses), and other expenses for each of fiscal years 2012 and 2013.

Response: The information is provided for the record.

[The information follows:]

Undistributed Obligations
Federal Crop Insurance Corporation Fund
(Dollars in thousands)

	2012 Actual	2013 Actual
FCIC FUND:		
Delivery Expenses	$1,373,000	$1,349,000
Federal Crop Insurance Act Initiatives	55,860	44,780
Underwriting Gain/Losses	1,669,816	0
Program Related IT	20,000	18,929
Adjustments	-270	0
Total, Undistributed Obligations 1/	3,118,406	1,412,709

1/ RMA erroneously displayed $1.467B on the adjustment line above, therefore the total undistributed amount was overstated and included losses that should have been distributed by state.

Mr. Aderholt: Provide a comprehensive description of what is included in "other expenses".

Response: These other expenses represent a compilation of monthly settlements with the Approved Insurance Providers, escrow, off-setting collections, or debts from CAT fees, overpaid indemnities, or judgments.

Ten-Year Table of Reinsured Company Financial Performance

Mr. Aderholt: Federal crop insurance is available to producers through private insurance companies that market and service policies and also share in the risk. Provide a ten-year table for the record, to include fiscal year 2013 actuals that shows how much the government has gained/lost and how much private insurance companies have gained/lost.

Response: The information is provided for the record.

[The information follows:]

REINSURED COMPANY FINANCIAL PERFORMANCE
2004 - 2013 REINSURANCE YEARS
AS OF 3/7/2014

YEAR	GROSS PREMIUM	GROSS LOSSES	GROSS GAIN/(LOSS)	FCIC SHARE OF NET GAIN/(LOSS)	COMPANY SHARE OF NET GAIN/(LOSS)
2004	$4,186,487,785	$3,292,725,788	$893,761,997	$203,257,143	$690,504,854
2005	$3,945,480,648	$2,341,070,214	$1,604,410,434	$689,437,760	$914,972,674
2006	$4,709,426,476	$3,551,300,989	$1,158,125,487	$336,171,280	$821,954,207
2007	$6,547,314,311	$3,465,111,454	$3,082,202,857	$1,510,357,545	$1,571,845,312
2008	$9,832,211,282	$8,719,142,791	$1,113,068,491	$17,489,131	$1,095,579,360
2009	$8,950,246,441	$5,214,717,629	$3,735,528,812	$1,437,462,009	$2,298,066,803
2010	$7,595,537,351	$4,252,943,533	$3,342,593,818	$1,427,295,257	$1,915,298,561
2011	$11,969,575,338	$10,843,270,290	$1,126,305,048	-$563,044,393	$1,689,349,441
2012	$11,118,845,098	$17,415,005,384	-$6,296,160,286	-$4,978,546,241	-$1,317,614,045
2013*	$11,778,045,099	$11,323,278,102	$454,766,997	-$409,049,031	$863,816,028
TOTAL	$105,712,402,528	$96,961,326,120	$8,751,076,408	-$4,201,851,469	$12,952,927,877

Source: 2004 - 2011: Reinsured Company Financial Performance Report
* 2013 as of March 7, 2014 Reinsurance Run

Ratio of Portfolio Size to Staff and IT Budget

Mr. Aderholt: For the record, please provide the Subcommittee with a table that shows a five-year history of the size of the crop insurance portfolio (i.e., total liabilities), the total funding for administration and operating budget, subset of information technology expenditures, and FTE.

Response: The information is provided for the record.

[The information follows:]

(Dollars in Thousands)

	2010	2011	2012	2013	2014
Total FCIC Liability	$78,089,674	$114,095,059	$116,974,411	$123,700,509	$104,831,200
Discretionary A&O Appropriation	$79,991	$79,000	$74,900	$69,104	$71,496
Information Technology (IT)*	($15,813)	($14,856)	($13,382)	($10,474)	($9,443)
Staff Years	501	505	470	446	455

* Discretionary IT only, does not include mandatory sources of IT.

Mandatory Funds to Implement the Farm Bill

Mr. Aderholt: The farm bill provided $175 million in mandatory funding to implement farm programs and crop insurance provisions of the law.

How does the Department plan to utilize these resources? Will it be for temporary staff, computer systems or outreach?

Response: RMA was not specifically provided funds to implement the 2014 Farm Bill. However, RMA did receive additional mandatory resources for information technology ($14 million in FY 2015) to operate and review policies and maintain program actuarial soundness and financial integrity

($9 million); and to conduct pilot programs for underserved crops and regions ($12.5 million). These funds may be used to hire permanent staff or enter into contracts necessary to accomplish requirements of the law.

Audit and Financial Management System

Mr. Aderholt: The Risk Management Agency has seen significant growth in the federal crop insurance program over the last decade. To RMA's credit, the Inspector General identified only one material weakness during its 2013 audit. However, the Inspector General also has release other reports that indicated the agency needed to improve its reporting and avoidance of improper payments and improve certain risk management products. The budget request includes funding to hire 12 additional staff to help address the deficiencies.

Please describe RMA's plans to address the material weakness that the Inspector General found.

Response: In order to remediate the material weakness in the estimated losses, RMA focused on simplifying the model used to calculate the estimated losses without sacrificing the transparency and accuracy of the financial statements. A new process has been established which will reduce the risk of mistakes by: simplifying the process; building in checkpoints within the process; importing data directly from the source system; automating calculations; and developing a detailed procedure guide. The new process will be implemented for fiscal year 2014. As a result, RMA expects the material weakness to be closed this year.

Mr. Aderholt: What is RMA doing to avoid making improper payments?

Response: RMA is in the process of developing a statistically valid methodology that allows the Agency with confidence to identify where improper payments exist, the root cause and responsible party so that corrective actions can be identified and directed to address the root cause(s) for the improper payments.

In addition, the Agency is partnering with other USDA Agencies and the Social Security Administration for an information exchange for the Death Master File, which holds death record data from SSA's Death Master File (DMF), and includes death data reported by the States (State death data). This will aid in ensuring proper payment.

RMA is also implementing Section 11021 of the 2014 Farm Bill by hiring additional staff to improve program integrity efforts.

Mr. Aderholt: How will the proposed new staff help address RMA's compliance with federal reporting requirements and actuarial soundness of its risk management products?

Response: The additional RMA Staff will enable the Agency to establish an improper payments methodology that is compliant with Improper Payments Elimination and Recovery Act (IPERA) requirements.

RMA plans to hire additional staff to improve program integrity efforts by conducting:

- Additional Large Claim Reviews
- Increase field compliance activities
- Improve improper payment sampling, reduce improper payments and audits

- Additional Special Investigators
- Re-design and implement the review process of partner company activity including: testing of payments; evaluation and testing of internal controls; and performance reporting.

State By State Allocations

Mr. Aderholt: Please provide a chart showing the final allocation for fiscal year 2013 and the estimated allocation for fiscal 2014 for conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

Conservation Technical Assistance (CTA) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$7,473,778	$7,473,778	-	$6,444,372	$6,444,372
Alaska	-	2,888,324	2,888,324	-	1,927,004	1,927,004
Arizona	-	5,022,335	5,022,335	-	3,320,508	3,320,508
Arkansas	-	8,695,058	8,695,058	-	6,977,399	6,977,399
California	-	15,955,525	15,955,525	-	12,331,340	12,331,340
Colorado	-	9,893,540	9,893,540	-	8,232,718	8,232,718
Connecticut	-	2,767,929	2,767,929	-	1,967,636	1,967,636
Delaware	-	1,430,049	1,430,049	-	1,368,760	1,368,760
Florida	-	7,453,452	7,453,452	-	5,021,892	5,021,892
Georgia	-	6,458,000	6,458,000	-	7,945,574	7,945,574
Pacific Islands Area	-	5,675,189	5,675,189	-	5,406,407	5,406,407
Idaho	-	7,223,619	7,223,619	-	5,806,650	5,806,650
Illinois	-	15,548,544	15,548,544	-	11,888,424	11,888,424
Indiana	-	9,880,841	9,880,841	-	8,802,932	8,802,932
Iowa	-	22,063,718	22,063,718	-	16,455,458	16,455,458
Kansas	-	16,880,512	16,880,512	-	12,936,274	12,936,274
Kentucky	-	10,813,206	10,813,206	-	8,431,746	8,431,746
Louisiana	-	9,183,010	9,183,010	-	6,406,694	6,406,694
Maine	-	3,585,737	3,585,737	-	2,682,950	2,682,950
Maryland	-	3,770,755	3,770,755	-	3,020,386	3,020,386
Massachusetts	-	2,509,682	2,509,682	-	1,884,974	1,884,974
Michigan	-	10,007,910	10,007,910	-	7,113,983	7,113,983
Minnesota	-	9,174,058	9,174,058	-	9,243,637	9,243,637
Mississippi	-	12,679,385	12,679,385	-	9,662,190	9,662,190
Missouri	-	16,692,737	16,692,737	-	19,079,101	19,079,101
Montana	-	11,129,004	11,129,004	-	9,070,534	9,070,534
Nebraska	-	14,898,785	14,898,785	-	11,113,719	11,113,719
Nevada	-	2,430,778	2,430,778	-	1,877,743	1,877,743

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
New Hampshire	-	2,544,572	2,544,572	-	1,950,878	1,950,878
New Jersey	-	3,239,156	3,239,156	-	2,591,040	2,591,040
New Mexico	-	5,550,208	5,550,208	-	4,941,957	4,941,957
New York	-	8,073,213	8,073,213	-	6,385,191	6,385,191
North Carolina	-	7,542,536	7,542,536	-	6,017,120	6,017,120
North Dakota	-	11,385,276	11,385,276	-	9,326,520	9,326,520
Ohio	-	10,081,646	10,081,646	-	7,672,154	7,672,154
Oklahoma	-	13,823,679	13,823,679	-	10,615,844	10,615,844
Oregon	-	7,503,295	7,503,295	-	5,753,369	5,753,369
Pennsylvania	-	9,132,642	9,132,642	-	7,007,703	7,007,703
Rhode Island	-	1,731,583	1,731,583	-	1,202,550	1,202,550
South Carolina	-	5,970,874	5,970,874	-	5,060,840	5,060,840
South Dakota	-	10,222,385	10,222,385	-	8,118,484	8,118,484
Tennessee	-	11,406,582	11,406,582	-	7,949,485	7,949,485
Texas	-	29,818,156	29,818,156	-	25,740,227	25,740,227
Utah	-	4,755,320	4,755,320	-	4,154,779	4,154,779
Vermont	-	2,721,948	2,721,948	-	2,091,799	2,091,799
Virginia	-	6,003,629	6,003,629	-	5,381,538	5,381,538
Washington	-	9,506,278	9,506,278	-	7,126,729	7,126,729
West Virginia	-	5,556,100	5,556,100	-	4,278,444	4,278,444
Wisconsin	-	10,677,028	10,677,028	-	9,179,214	9,179,214
Wyoming	-	5,828,030	5,828,030	-	4,462,676	4,462,676
Puerto Rico	-	2,902,636	2,902,636	-	2,159,411	2,159,411
Total	-	438,162,232	438,162,232	-	355,588,957	355,588,957

Soil Survey (CO-02) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$263,927	$263,927	-	$407,282	$407,282
Alaska	-	419,111	419,111	-	312,896	312,896
Arizona	-	195,503	195,503	-	490,468	490,468
Arkansas	-	268,978	268,978	-	167,206	167,206
California	-	516,709	516,709	-	570,806	570,806
Colorado	-	285,787	285,787	-	272,398	272,398
Connecticut	-	209,060	209,060	-	184,499	184,499
Delaware	-	137,784	137,784	-	118,969	118,969
Florida	-	318,850	318,850	-	190,434	190,434
Georgia	-	269,397	269,397	-	233,568	233,568
Pacific Islands Area	-	265,639	265,639	-	171,505	171,505
Idaho	-	205,516	205,516	-	187,256	187,256

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Illinois	-	289,026	289,026	-	268,455	268,455
Indiana	-	252,470	252,470	-	377,078	377,078
Iowa	-	250,773	250,773	-	175,749	175,749
Kansas	-	287,536	287,536	-	414,093	414,093
Kentucky	-	246,462	246,462	-	204,402	204,402
Louisiana	-	286,165	286,165	-	175,943	175,943
Maine	-	252,897	252,897	-	170,629	170,629
Maryland	-	239,830	239,830	-	398,396	398,396
Massachusetts	-	314,227	314,227	-	367,094	367,094
Michigan	-	249,034	249,034	-	186,514	186,514
Minnesota	-	301,779	301,779	-	569,002	569,002
Mississippi	-	244,826	244,826	-	194,920	194,920
Missouri	-	221,524	221,524	-	225,737	225,737
Montana	-	370,107	370,107	-	427,134	427,134
Nebraska	-	408,492	408,492	-	202,614	202,614
Nevada	-	222,854	222,854	-	216,631	216,631
New Hampshire	-	202,754	202,754	-	144,966	144,966
New Jersey	-	200,723	200,723	-	169,557	169,557
New Mexico	-	255,784	255,784	-	242,822	242,822
New York	-	231,526	231,526	-	168,973	168,973
North Carolina	-	371,953	371,953	-	434,757	434,757
North Dakota	-	233,752	233,752	-	225,881	225,881
Ohio	-	239,244	239,244	-	194,201	194,201
Oklahoma	-	266,374	266,374	-	209,215	209,215
Oregon	-	376,264	376,264	-	445,055	445,055
Pennsylvania	-	257,682	257,682	-	158,449	158,449
Rhode Island	-	164,449	164,449	-	121,909	121,909
South Carolina	-	188,968	188,968	-	168,688	168,688
South Dakota	-	282,520	282,520	-	213,312	213,312
Tennessee	-	291,412	291,412	-	241,742	241,742
Texas	-	539,582	539,582	-	652,028	652,028
Utah	-	348,191	348,191	-	217,194	217,194
Vermont	-	197,118	197,118	-	166,992	166,992
Virginia	-	250,293	250,293	-	145,737	145,737
Washington	-	265,203	265,203	-	233,538	233,538
West Virginia	-	254,196	254,196	-	385,969	385,969
Wisconsin	-	276,079	276,079	-	240,208	240,208
Wyoming	-	356,215	356,215	-	168,054	168,054
Puerto Rico	-	184,746	184,746	-	161,789	161,789
Total	-	14,029,291	14,029,291	-	13,392,714	13,392,714

Snow Survey (CO-45) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alaska	-	$188,031	$188,031	-	$578,134	$578,134
Arizona	-	3,247	3,247	-	126,873	126,873
California	-	4,300	4,300	-	28,939	28,939
Colorado	-	272,355	272,355	-	1,020,893	1,020,893
Idaho	-	176,116	176,116	-	921,240	921,240
Montana	-	532,698	532,698	-	920,518	920,518
Nevada	-	-	-	-	318,600	318,600
New Mexico	-	35,737	35,737	-	161,850	161,850
Oregon	-	543,807	543,807	-	1,059,659	1,059,659
Utah	-	360,525	360,525	-	1,015,966	1,015,966
Washington	-	41,600	41,600	-	238,113	238,113
Wyoming	-	29,222	29,222	-	293,298	293,298
Total	-	2,187,638	2,187,638	-	6,684,083	6,684,083

Plants Material Center (CO-46) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	-	$362,000	$362,000	-	$350,000	$350,000
Arkansas	-	357,000	357,000	-	360,000	360,000
California	-	402,600	402,600	-	320,000	320,000
Colorado	-	73,500	73,500	-	-	-
Florida	-	367,000	367,000	-	315,000	315,000
Georgia	-	199,000	199,000	-	140,000	140,000
Pacific Islands Area	-	317,100	317,100	-	350,000	350,000
Idaho	-	394,450	394,450	-	420,000	420,000
Kansas	-	327,400	327,400	-	320,000	320,000
Louisiana	-	330,000	330,000	-	305,000	305,000
Maryland	-	452,600	452,600	-	402,000	402,000
Michigan	-	353,800	353,800	-	330,000	330,000
Mississippi	-	185,900	185,900	-	190,000	190,000
Missouri	-	336,500	336,500	-	300,000	300,000
Montana	-	350,000	350,000	-	340,000	340,000
Nevada	-	184,800	184,800	-	200,000	200,000
New Jersey	-	393,275	393,275	-	395,000	395,000
New Mexico	-	386,000	386,000	-	383,000	383,000
New York	-	320,000	320,000	-	310,000	310,000
North Dakota	-	441,000	441,000	-	410,000	410,000
Oregon	-	323,500	323,500	-	290,000	290,000

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Texas	-	995,001	995,001	-	960,000	960,000
Washington	-	334,050	334,050	-	320,000	320,000
West Virginia	-	279,900	279,900	-	300,000	300,000
Puerto Rico	-	28,000	28,000	-	-	-
Total	-	8,494,376	8,494,376	-	8,010,000	8,010,000

Emergency Watershed Protection (EWP-15) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Colorado	$1,938,682	$193,868	$2,132,550	-	-	-
Kansas	12,713	2,543	15,256	-	-	-
Kentucky	434,850	86,970	521,820	-	-	-
Maine	22,500	4,500	27,000	-	-	-
Mississippi	271,388	54,277	325,665	-	-	-
New Mexico	177,225	35,445	212,670	-	-	-
Ohio	308,850	30,885	339,735	-	-	-
Tennessee	467,601	87,271	554,872	-	-	-
Utah	7,000,000	1,670,000	8,670,000	-	-	-
Total	10,633,809	2,165,759	12,799,568	-	-	-

Emergency Watershed Protection (EWP-62) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistanc e (2014)	Technical Assistance (2014)	Total (2014)
Colorado	$14,609,000	$1,460,90 0	$16,069,900	-	-	-
Florida	6,975,000	743,500	7,718,500	-	-	-
Minnesota	668,625	66,862	735,487	-	-	-
Mississippi	4,913,553	491,355	5,404,908	-	-	-
New York	9,278,488	927,849	10,206,337	-	-	-
Tennessee	48,825	9,765	58,590	-	-	-
Utah	500,000	100,000	600,000	-	-	-
Wisconsin	1,420,000	142,000	1,562,000	-	-	-
Total	38,413,491	3,942,231	42,355,722	-	-	-

Emergency Watershed Protection (EWP-63) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Connecticut	$609,594	$119,672	$729,266	-	-	-
Maryland	250,000	40,000	290,000	-	-	-
New Jersey	2,700,300	320,032	3,020,332	-	-	-
New York	1,389,225	138,922	1,528,147	-	-	-
Rhode Island	34,902	6,909	41,811	-	-	-
Total	4,984,021	625,535	5,609,556	-	-	-

Small Water Rehab Protection (SWRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	-	-	-	-	$112,000	$112,000
Arkansas	-	-	-	-	445,500	445,500
Colorado	-	-	-	-	650,000	650,000
Kansas	-	-	-	-	1,481,000	1,481,000
Massachusetts	-	-	-	-	225,000	225,000
Mississippi	-	-	-	$1,500,000	375,000	1,875,000
Nebraska	-	-	-	-	857,236	857,236
Nevada	-	-	-	-	280,000	280,000
New Mexico	-	-	-	-	350,000	350,000
New York	-	-	-	-	800,000	800,000
Ohio	-	-	-	-	443,000	443,000
Oklahoma	-	-	-	-	200,000	200,000
Pennsylvania	-	-	-	-	1,165,000	1,165,000
Tennessee	-	-	-	-	40,000	40,000
Texas	-	-	-	3,900,000	490,000	4,390,000
Utah	-	-	-	3,200,000	1,220,000	4,420,000
Virginia	-	-	-	-	200,000	200,000
West Virginia	-	-	-	-	1,650,099	1,650,099
Wyoming	-	-	-	-	15,796	15,796
Total	-	-	-	8,600,000	10,999,631	19,599,631

Note: Mandatory funding provided by the Agricultural Act of 2014 (P.L. 113-79).

Watershed Rehabilitation (WR-84) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	$7,000,000	$371,996	$7,371,996	$2,250,000	$25,000	$2,275,000
Arkansas	-	20,000	20,000	-	-	-
Connecticut	-	40,000	40,000	-	80,000	80,000
Kentucky	-	488,000	488,000	-	353,000	353,000
Maine	-	-	-	-	60,000	60,000
Massachusetts	-	-	-	-	120,000	120,000
Nevada	-	-	-	-	280,000	280,000
New Mexico	-	20,000	20,000	-	-	-
New York	-	217,375	217,375	-	600,000	600,000
Ohio	-	9,000	9,000	-	-	-
Oklahoma	-	480,000	480,000	-	795,000	795,000
Pennsylvania	-	333,033	333,033	-	295,000	295,000
Tennessee	-	404,000	404,000	-	60,000	60,000
Texas	-	286,000	286,000	4,150,000	2,586,000	6,736,000
Utah	-	998,500	998,500	-	-	-
Virginia	2,078,940	195,000	2,273,940	-	300,000	300,000
West Virginia	-	350,000	350,000	-	-	-
Wyoming	-	-	-	-	38,307	38,307
Total	9,078,940	4,212,904	13,291,844	6,400,000	5,592,307	11,992,307

Agricultural Conservation Easement Program (ACEP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	-	-	$1,800	$399,653	$401,453
Alaska	-	-	-	-	4,966	4,966
Arizona	-	-	-	-	21,672	21,672
Arkansas	-	-	-	12,303	2,738,710	2,751,013
California	-	-	-	95,900	2,215,776	2,311,676
Colorado	-	-	-	-	674,446	674,446
Connecticut	-	-	-	-	301,349	301,349
Delaware	-	-	-	-	239,628	239,628
Florida	-	-	-	-	6,474,489	6,474,489
Georgia	-	-	-	-	719,263	719,263
Pacific Islands Area	-	-	-	-	129,012	129,012
Idaho	-	-	-	-	227,119	227,119
Illinois	-	-	-	60,000	508,236	568,236
Indiana	-	-	-	-	351,139	351,139

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Iowa	-	-	-	24,051	2,312,998	2,337,049
Kansas	-	-	-	-	190,984	190,984
Kentucky	-	-	-	-	1,289,700	1,289,700
Louisiana	-	-	-	406,913	4,468,143	4,875,056
Maine	-	-	-	-	66,087	66,087
Maryland	-	-	-	211,000	414,079	625,079
Massachusetts	-	-	-	11,100	387,643	398,743
Michigan	-	-	-	-	458,680	458,680
Minnesota	-	-	-	-	2,138,370	2,138,370
Mississippi	-	-	-	-	1,140,545	1,140,545
Missouri	-	-	-	-	583,352	583,352
Montana	-	-	-	-	394,371	394,371
Nebraska	-	-	-	2,500	827,644	830,144
Nevada	-	-	-	-	707,941	707,941
New Hampshire	-	-	-	12,300	331,123	343,423
New Jersey	-	-	-	14,910	363,655	378,565
New Mexico	-	-	-	-	45,888	45,888
New York	-	-	-	1,800	610,342	612,142
North Carolina	-	-	-	725	441,067	441,792
North Dakota	-	-	-	-	1,851,666	1,851,666
Ohio	-	-	-	1,123	843,416	844,539
Oklahoma	-	-	-	2,590	339,177	341,767
Oregon	-	-	-	-	855,343	855,343
Pennsylvania	-	-	-	266,800	956,936	1,223,736
Rhode Island	-	-	-	-	80,218	80,218
South Carolina	-	-	-	-	141,581	141,581
South Dakota	-	-	-	-	1,516,486	1,516,486
Tennessee	-	-	-	-	1,876,270	1,876,270
Texas	-	-	-	8,000	1,348,698	1,356,698
Utah	-	-	-	-	159,722	159,722
Vermont	-	-	-	3,000	329,278	332,278
Virginia	-	-	-	1,000	156,544	157,544
Washington	-	-	-	-	137,034	137,034
West Virginia	-	-	-	10,500	218,490	228,990
Wisconsin	-	-	-	-	550,253	550,253
Wyoming	-	-	-	-	89,970	89,970
Puerto Rico	-	-	-	-	4,004	4,004
Total	-	-	-	1,148,315	43,633,156	44,781,471

Note: Program created effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 113-79).

Agricultural Management Assistance (AMA) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Connecticut	$94,000	$9,385	$103,385	$51,071	$33,897	$84,968
Delaware	62,642	9,200	71,842	15,629	7,320	22,949
Pacific Islands Area	40,130	45,056	85,186	85,246	18,622	103,868
Maine	456,600	52,468	509,068	470,879	75,044	545,923
Maryland	63,700	38,135	101,835	182,414	27,444	209,858
Massachusetts	56,713	17,929	74,642	76,145	23,001	99,146
Nevada	60,675	7,767	68,442	32,572	17,870	50,442
New Hampshire	97,000	10,500	107,500	11,010	7,087	18,097
New Jersey	134,800	63,120	197,920	192,993	40,541	233,534
New York	169,000	45,800	214,800	381,659	59,575	441,234
Pennsylvania	279,400	55,600	335,000	80,930	25,261	106,191
Rhode Island	37,400	11,300	48,700	58,720	18,797	77,517
Utah	-	17,385	17,385	191,917	29,451	221,368
Vermont	94,745	20,726	115,471	32,948	13,024	45,972
West Virginia	183,569	35,550	219,119	63,814	22,243	86,057
Wyoming	142,500	69,900	212,400	55,053	60,821	115,874
Total	1,972,874	509,821	2,482,695	1,983,000	479,998	2,462,998

Agricultural Water Enhancement Program (AWEP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$1,025,217	$223,010	$1,248,227	-	$26,319	$26,319
Arkansas	855,014	351,315	1,206,329	-	98,778	98,778
California	11,216,345	1,651,963	12,868,308	-	368,175	368,175
Colorado	664,705	92,881	757,586	-	3,212	3,212
Delaware	-	9,000	9,000	-	-	-
Florida	-	114,765	114,765	-	5,658	5,658
Georgia	1,282,521	751,795	2,034,316	-	58,053	58,053
Idaho	4,877,158	513,791	5,390,949	-	160,830	160,830
Illinois	40,309	63,476	103,785	-	612	612
Indiana	837,882	142,956	980,838	$301,303	65,581	366,884

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Iowa	84,196	58,807	143,003	-	284	284
Kansas	2,689,143	363,829	3,052,972	-	80,108	80,108
Louisiana	-	25,000	25,000	-	-	-
Michigan	1,795,141	183,043	1,978,184	-	86,762	86,762
Minnesota	3,453,140	239,591	3,692,731	-	39,830	39,830
Mississippi	2,179,585	415,801	2,595,386	-	170,333	170,333
Montana	857,251	158,631	1,015,882	-	22,823	22,823
Nebraska	3,708,103	412,809	4,120,912	-	87,975	87,975
Nevada	-	17,750	17,750	-	-	-
New Jersey	194,352	63,269	257,621	-	12,412	12,412
New Mexico	63,576	120,226	183,802	-	6,185	6,185
New York	-	81,319	81,319	-	25,484	25,484
North Carolina	-	8,627	8,627	-	-	-
North Dakota	2,261,537	240,585	2,502,122	67,431	11,599	79,030
Oklahoma	465,602	231,107	696,709	-	38,296	38,296
Oregon	1,693,618	319,236	2,012,854	-	76,700	76,700
South Dakota	56,103	71,317	127,420	-	2,175	2,175
Texas	4,617,475	811,720	5,429,195	-	83,134	83,134
Washington	102,122	85,139	187,261	-	5,540	5,540
Wyoming	342,444	133,423	475,867	-	37,391	37,391
Total	45,362,539	7,956,181	53,318,720	368,734	1,574,249	1,942,983

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 P.L. 113-79).

Chesapeake Bay Watershed Initiative (CBWI) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Delaware	$975,326	$143,018	$1,118,344	-	$145,100	$145,100
Maryland	10,540,403	1,577,077	12,117,480	-	1,508,000	1,508,000
New York	4,927,420	577,551	5,504,971	-	528,700	528,700
Pennsylvania	9,400,000	1,083,491	10,483,491	$4,856	1,368,000	1,372,856
Virginia	8,817,000	1,364,305	10,181,305	-	1,255,400	1,255,400
West Virginia	7,100,000	990,574	8,090,574	-	695,600	695,600
Total	41,760,149	5,736,016	47,496,165	4,856	5,500,800	5,505,656

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 P.L. 113-79).

Conservation Reserve Program (CRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$1,315,445	$1,315,445	-	$88,752	$88,752
Alaska	-	19,114	19,114	-	15,189	15,189
Arkansas	-	567,323	567,323	-	413,192	413,192
California	-	72,141	72,141	-	13,260	13,260
Colorado	-	1,523,492	1,523,492	-	674,808	674,808
Connecticut	-	8,388	8,388	-	1,189	1,189
Delaware	-	43,542	43,542	-	16,889	16,889
Florida	-	118,772	118,772	-	83,198	83,198
Georgia	-	721,603	721,603	-	482,605	482,605
Pacific Islands Area	-	37,564	37,564	-	5,348	5,348
Idaho	-	830,681	830,681	-	587,657	587,657
Illinois	-	5,538,962	5,538,962	-	5,821,868	5,821,868
Indiana	-	5,102,233	5,102,233	-	3,732,652	3,732,652
Iowa	-	5,717,232	5,717,232	-	11,301,726	11,301,726
Kansas	-	2,591,530	2,591,530	-	3,603,823	3,603,823
Kentucky	-	2,004,046	2,004,046	-	1,473,508	1,473,508
Louisiana	-	149,802	149,802	-	328,886	328,886
Maine	-	83,069	83,069	-	10,235	10,235
Maryland	-	712,409	712,409	-	567,425	567,425
Michigan	-	646,636	646,636	-	675,814	675,814
Minnesota	-	5,870,719	5,870,719	-	4,851,878	4,851,878
Mississippi	-	1,644,016	1,644,016	-	2,427,542	2,427,542
Missouri	-	6,205,318	6,205,318	-	1,672,373	1,672,373
Montana	-	1,093,476	1,093,476	-	238,230	238,230
Nebraska	-	1,940,325	1,940,325	-	2,220,825	2,220,825
Nevada	-	593	593	-	909	909
New Jersey	-	102,325	102,325	-	58,158	58,158
New Mexico	-	302,306	302,306	-	256,744	256,744
New York	-	168,557	168,557	-	182,777	182,777
North Carolina	-	581,711	581,711	-	581,576	581,576
North Dakota	-	2,397,877	2,397,877	-	1,499,516	1,499,516
Ohio	-	3,494,206	3,494,206	-	5,409,321	5,409,321
Oklahoma	-	1,202,438	1,202,438	-	519,433	519,433
Oregon	-	632,010	632,010	-	484,217	484,217
Pennsylvania	-	1,184,521	1,184,521	-	2,358,172	2,358,172
Rhode Island	-	-	-	-	1,000	1,000
South Carolina	-	540,848	540,848	-	432,962	432,962
South Dakota	-	2,215,958	2,215,958	-	3,932,187	3,932,187
Tennessee	-	622,431	622,431	-	273,529	273,529
Texas	-	2,397,030	2,397,030	-	2,737,553	2,737,553
Utah	-	107,653	107,653	-	50,989	50,989

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Vermont	-	60,343	60,343	-	21,038	21,038
Virginia	-	847,636	847,636	-	344,396	344,396
Washington	-	942,818	942,818	-	324,554	324,554
West Virginia	-	41,151	41,151	-	73,230	73,230
Wisconsin	-	2,052,627	2,052,627	-	1,301,617	1,301,617
Wyoming	-	282,428	282,428	-	176,498	176,498
Puerto Rico	-	-	-	-	880	880
Total	-	64,735,305	64,735,305	-	62,330,128	62,330,128

Conservation Security Program (CSP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$1,029,050	$152,400	$1,181,450	$1,013,000	$35,751	$1,048,751
Alaska	15,445	33,859	49,304	16,000	1,882	17,882
Arizona	146,056	13,991	160,047	147,000	73,383	220,383
Arkansas	3,581,695	366,194	3,947,889	2,442,000	240,847	2,682,847
California	2,416,280	226,126	2,642,406	2,283,000	104,430	2,387,430
Colorado	2,018,840	250,014	2,268,854	1,943,000	149,588	2,092,588
Connecticut	15,338	9,814	25,152	13,000	2,822	15,822
Delaware	232,026	21,630	253,656	228,000	12,230	240,230
Georgia	1,733,342	372,508	2,105,850	1,062,000	41,396	1,103,396
Pacific Islands Area	135,871	28,639	164,510	136,000	4,704	140,704
Idaho	9,228,523	376,045	9,604,568	8,740,000	201,333	8,941,333
Illinois	6,200,467	548,955	6,749,422	2,192,000	119,483	2,311,483
Indiana	5,378,761	198,053	5,576,814	3,257,000	129,831	3,386,831
Iowa	15,862,143	559,362	16,421,505	13,549,000	342,454	13,891,454
Kansas	5,362,996	336,554	5,699,550	4,588,000	205,096	4,793,096
Kentucky	76,925	55,394	132,319	75,000	13,171	88,171
Louisiana	104,216	36,862	141,078	105,000	5,645	110,645
Maine	82,452	18,284	100,736	83,000	7,526	90,526
Maryland	1,124,399	136,832	1,261,231	1,096,000	78,087	1,174,087
Massachusetts	2,498	7,523	10,021	3,000	1,000	4,000
Michigan	3,671,589	146,033	3,817,622	2,746,000	137,358	2,883,358
Minnesota	4,296,104	297,386	4,593,490	3,620,000	78,087	3,698,087
Mississippi	163,632	64,663	228,295	164,000	16,780	180,780
Missouri	20,423,614	663,492	21,087,106	17,519,000	356,566	17,875,566
Montana	7,190,877	404,223	7,595,100	6,295,000	301,058	6,596,058
Nebraska	5,425,495	465,977	5,891,472	4,837,000	310,466	5,147,466
Nevada	145,224	8,866	154,090	135,000	10,349	145,349
New Hampshire	-	1,467	1,467	-	-	-

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
New Jersey	88,599	8,943	97,542	81,000	4,704	85,704
New Mexico	795,154	100,706	895,860	452,000	149,588	601,588
New York	381,633	77,347	458,980	64,000	5,645	69,645
North Carolina	600,034	38,575	638,609	589,000	12,230	601,230
North Dakota	4,257,412	340,156	4,597,568	4,203,000	172,168	4,375,168
Ohio	10,291,927	762,170	11,054,097	6,583,000	253,077	6,836,077
Oklahoma	1,874,958	277,352	2,152,310	1,166,000	143,003	1,309,003
Oregon	18,646,049	773,244	19,419,293	14,067,000	416,778	14,483,778
Pennsylvania	375,768	141,368	517,136	180,000	28,224	208,224
Rhode Island	4,627	2,634	7,261	5,000	1,000	6,000
South Carolina	1,167,452	137,142	1,304,594	884,000	47,981	931,981
South Dakota	576,520	91,695	668,215	573,000	31,047	604,047
Tennessee	199,798	45,963	245,761	200,000	13,171	213,171
Texas	930,531	107,100	1,037,631	823,000	79,028	902,028
Utah	1,923,555	57,076	1,980,631	1,924,000	68,679	1,992,679
Vermont	9,813	6,113	15,926	10,000	1,000	11,000
Virginia	167,121	49,511	216,632	167,000	16,935	183,935
Washington	4,681,726	152,648	4,834,374	3,944,000	103,489	4,047,489
West Virginia	149,972	37,993	187,965	148,000	15,994	163,994
Wisconsin	3,169,181	365,171	3,534,352	1,407,000	87,495	1,494,495
Wyoming	1,171,014	152,026	1,323,040	1,155,000	170,286	1,325,286
Puerto Rico	3,946	-	3,946	3,000	-	3,000
Total	147,530,648	9,526,079	157,056,727	116,915,000	4,802,845	121,717,845

Conservation Stewardship Program (CStP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$6,601,333	$1,091,162	$7,692,495	$6,429,847	$664,994	$7,094,841
Alaska	1,475,193	194,877	1,670,070	1,814,981	87,961	1,902,942
Arizona	7,027,993	372,531	7,400,524	6,858,611	561,785	7,420,396
Arkansas	60,363,233	4,133,370	64,496,603	71,543,742	2,989,491	74,533,233
California	8,064,573	947,275	9,011,848	8,155,621	717,398	8,873,019
Colorado	25,459,209	2,635,255	28,094,464	25,991,181	1,986,165	27,977,346
Connecticut	220,561	100,407	320,968	189,742	20,642	210,384
Delaware	1,180,135	96,482	1,276,617	1,244,126	77,968	1,322,094
Florida	2,808,943	555,185	3,364,128	2,847,886	251,082	3,098,968
Georgia	31,110,197	3,827,515	34,937,712	33,680,762	1,801,947	35,482,709
Pacific Islands Area	126,163	203,314	329,477	132,880	22,523	155,403
Idaho	6,533,339	491,332	7,024,671	7,652,488	720,052	8,372,540
Illinois	21,002,344	2,026,152	23,028,496	26,244,301	2,075,927	28,320,228
Indiana	7,915,349	672,368	8,587,717	8,568,409	513,150	9,081,559

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Iowa	42,952,361	3,204,420	46,156,781	45,161,071	3,113,901	48,274,972
Kansas	47,216,610	2,333,594	49,550,204	49,606,933	2,797,940	52,404,873
Kentucky	3,401,769	577,636	3,979,405	3,400,105	320,704	3,720,809
Louisiana	21,935,422	1,689,791	23,625,213	25,751,487	1,394,708	27,146,195
Maine	703,176	140,244	843,420	753,935	117,934	871,869
Maryland	1,137,211	127,802	1,265,013	1,120,173	71,371	1,191,544
Massachusetts	70,917	116,747	187,664	70,588	12,482	83,070
Michigan	8,266,969	1,587,271	9,854,240	8,258,775	759,792	9,018,567
Minnesota	68,373,829	5,231,956	73,605,785	74,667,923	4,047,733	78,715,656
Mississippi	21,682,789	949,044	22,631,833	24,315,402	1,003,859	25,319,261
Missouri	28,765,033	3,569,403	32,334,436	29,951,736	2,892,559	32,844,295
Montana	36,107,035	3,124,040	39,231,075	37,709,699	2,936,610	40,646,309
Nebraska	50,947,852	3,374,078	54,321,930	55,657,292	4,410,936	60,068,228
Nevada	1,082,191	130,970	1,213,161	990,759	101,792	1,092,551
New Hampshire	157,026	124,975	282,001	165,192	56,291	221,483
New Jersey	289,935	89,819	379,754	276,157	29,228	305,385
New Mexico	19,601,073	2,837,081	22,438,154	23,625,561	3,273,382	26,898,943
New York	5,373,033	540,622	5,913,655	5,813,051	429,838	6,242,889
North Carolina	3,095,736	535,470	3,631,206	3,060,489	344,256	3,404,745
North Dakota	58,586,926	2,522,727	61,109,653	67,561,297	3,326,738	70,888,035
Ohio	5,273,470	794,498	6,067,968	6,143,530	546,355	6,689,885
Oklahoma	47,195,912	3,067,775	50,263,687	52,044,002	4,229,518	56,273,520
Oregon	14,932,475	1,047,579	15,980,054	16,714,056	1,350,702	18,064,758
Pennsylvania	6,833,460	850,480	7,683,940	6,758,447	668,897	7,427,344
Rhode Island	63,286	110,623	173,909	68,644	27,730	96,374
South Carolina	5,329,067	612,249	5,941,316	5,361,181	650,657	6,011,838
South Dakota	47,085,527	3,531,253	50,616,780	57,342,807	4,013,372	61,356,179
Tennessee	4,493,147	687,437	5,180,584	4,445,350	584,088	5,029,438
Texas	31,051,029	4,927,154	35,978,183	33,724,550	3,571,927	37,296,477
Utah	4,455,184	557,003	5,012,187	4,866,353	712,860	5,579,213
Vermont	48,103	80,162	128,265	54,969	12,876	67,845
Virginia	6,313,295	878,213	7,191,508	6,345,664	448,432	6,794,096
Washington	16,658,818	673,361	17,332,179	17,938,767	989,184	18,927,951
West Virginia	1,956,250	392,966	2,349,216	2,132,231	636,053	2,768,284
Wisconsin	15,518,644	1,650,887	17,169,531	17,102,213	2,142,579	19,244,792
Wyoming	8,676,689	1,048,425	9,725,114	8,388,671	877,291	9,265,962
Puerto Rico	16,590	79,071	95,661	17,000	4,340	21,340
Total	815,536,404	71,144,051	886,680,455	898,720,637	65,400,000	964,120,637

Environmental Quality Incentive Program (EQIP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$14,068,958	$5,891,629	$19,960,587	$12,814,274	$3,910,710	$16,724,984
Alaska	2,467,845	2,442,064	4,909,909	4,263,730	1,922,976	6,186,706
Arizona	8,966,130	5,498,739	14,464,869	7,502,083	3,509,771	11,011,854
Arkansas	64,729,268	7,974,405	72,703,673	47,196,540	7,178,163	54,374,703
California	81,730,884	15,296,859	97,027,743	76,398,180	13,462,460	89,860,640
Colorado	32,997,386	11,472,768	44,470,154	30,559,646	8,767,369	39,327,015
Connecticut	3,817,330	2,336,746	6,154,076	2,874,031	1,793,666	4,667,697
Delaware	5,426,761	1,664,910	7,091,671	5,348,362	1,450,740	6,799,102
Florida	10,185,948	6,140,912	16,326,860	13,413,739	4,629,199	18,042,938
Georgia	28,710,626	6,294,234	35,004,860	21,904,818	5,718,297	27,623,115
Pacific Islands Area	6,074,374	3,731,218	9,805,592	4,513,901	2,039,107	6,553,008
Idaho	18,477,172	5,049,130	23,526,302	11,395,799	3,716,395	15,112,194
Illinois	12,798,114	4,671,930	17,470,044	11,341,820	3,046,677	14,388,497
Indiana	27,980,703	4,904,338	32,885,041	15,593,401	4,013,687	19,607,088
Iowa	27,910,399	7,599,909	35,510,308	24,445,704	6,543,651	30,989,355
Kansas	35,316,252	7,970,736	43,286,988	18,148,289	5,118,903	23,267,192
Kentucky	12,621,882	5,295,694	17,917,576	10,295,862	4,055,149	14,351,011
Louisiana	19,055,323	6,186,764	25,242,087	15,918,235	3,875,441	19,793,676
Maine	10,274,657	4,113,299	14,387,956	10,296,719	2,817,762	13,114,481
Maryland	7,196,320	2,504,320	9,700,640	11,474,347	2,295,579	13,769,926
Massachusetts	1,848,183	2,050,959	3,899,142	2,608,067	1,243,144	3,851,211
Michigan	14,598,940	4,843,983	19,442,923	14,066,817	3,888,674	17,955,491
Minnesota	24,157,112	10,089,695	34,246,807	22,301,531	6,541,544	28,843,075
Mississippi	37,107,504	5,856,990	42,964,494	24,736,445	4,794,922	29,531,367
Missouri	31,815,685	10,694,131	42,509,816	22,482,197	6,816,177	29,298,374
Montana	12,828,612	8,441,755	21,270,367	13,833,117	5,882,408	19,715,525
Nebraska	29,924,018	8,230,726	38,154,744	25,781,169	5,971,890	31,753,059
Nevada	7,149,847	2,575,687	9,725,534	6,913,644	2,146,797	9,060,441
New Hampshire	3,854,835	1,839,135	5,693,970	3,209,385	1,420,604	4,629,989
New Jersey	3,906,197	2,036,194	5,942,391	3,184,723	1,469,048	4,653,771
New Mexico	23,912,384	6,938,088	30,850,472	19,758,573	5,062,736	24,821,309
New York	8,833,273	4,810,074	13,643,347	11,395,049	3,514,620	14,909,669
North Carolina	21,603,465	6,104,971	27,708,436	16,590,067	4,314,935	20,905,002
North Dakota	18,437,480	5,034,999	23,472,479	18,334,968	4,256,876	22,591,844
Ohio	14,068,438	4,634,379	18,702,817	12,303,938	3,971,876	16,275,814
Oklahoma	18,109,778	7,620,459	25,730,237	19,030,346	6,292,748	25,323,094
Oregon	14,207,098	3,933,651	18,140,749	11,811,958	3,020,958	14,832,916
Pennsylvania	21,449,980	7,538,318	28,988,298	21,874,501	6,818,246	28,692,747
Rhode Island	2,444,888	1,234,350	3,679,238	2,615,376	1,047,267	3,662,643

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
South Carolina	17,172,247	2,920,414	20,092,661	12,073,086	2,696,343	14,769,429
South Dakota	13,340,519	5,112,772	18,453,291	15,900,596	4,414,155	20,314,751
Tennessee	24,415,185	5,702,988	30,118,173	17,245,331	4,412,786	21,658,117
Texas	91,695,163	27,397,333	119,092,496	78,457,658	19,358,100	97,815,758
Utah	16,464,839	8,404,172	24,869,011	20,551,317	6,477,567	27,028,884
Vermont	9,528,878	2,816,964	12,345,842	5,604,002	1,761,463	7,365,465
Virginia	16,444,399	5,868,652	22,313,051	17,901,425	4,517,209	22,418,634
Washington	13,542,553	4,756,893	18,299,446	12,086,762	3,550,685	15,637,447
West Virginia	9,509,133	5,151,453	14,660,586	7,736,188	3,903,371	11,639,559
Wisconsin	28,634,898	6,190,638	34,825,536	19,927,143	5,407,610	25,334,753
Wyoming	12,924,389	5,391,017	18,315,406	14,275,969	4,179,259	18,455,228
Puerto Rico	3,991,782	2,303,916	6,295,698	3,934,222	2,148,851	6,083,073
Total	998,728,034	303,566,360	1,302,294,394	854,225,050	231,168,571	1,085,393,621

Farm and Ranchland Protection Program (FRPP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$150,000	$90,434	$240,434	-	$5,584	$5,584
Alaska	-	94,051	94,051	-	117	117
Arizona	-	29,892	29,892	-	6,602	6,602
California	4,296,221	226,733	4,522,954	$2,950	67,294	70,244
Colorado	16,103,589	296,617	16,400,206	9,750	129,378	139,128
Connecticut	4,796,221	358,727	5,154,948	4,100	49,557	53,657
Delaware	4,337,190	107,886	4,445,076	12,600	31,251	43,851
Florida	2,914,298	69,076	2,983,374	-	11,407	11,407
Georgia	2,000	6,337	8,337	-	-	-
Pacific Islands Area	-	126,701	126,701	-	15,005	15,005
Idaho	1,576,093	79,411	1,655,504	-	14,796	14,796
Illinois	386,660	48,992	435,652	-	2,962	2,962
Kansas	1,809,450	65,239	1,874,689	-	10,152	10,152
Kentucky	2,009,773	148,439	2,158,212	4,690	62,928	67,618
Maine	1,331,093	27,235	1,358,328	1,790	7,655	9,445
Maryland	15,564	97,690	113,254	-	16,545	16,545
Massachusetts	8,725,843	456,982	9,182,825	13,275	45,992	59,267
Michigan	2,601,982	120,019	2,722,001	850	23,481	24,331
Minnesota	1,288,866	182,601	1,471,467	750	11,117	11,867
Mississippi	-	6,370	6,370	-	-	-
Missouri	42,900	14,500	57,400	-	-	-
Montana	5,049,196	202,352	5,251,548	750	32,888	33,638
Nebraska	963,126	49,842	1,012,968	-	6,599	6,599

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Nevada	2,580	82,603	85,183	-	7,633	7,633
New Hampshire	2,663,988	73,194	2,737,182	600	23,260	23,860
New Jersey	7,733,197	229,785	7,962,982	7,820	27,626	35,446
New Mexico	600,000	32,299	632,299	1,560	5,280	6,840
New York	4,280,918	291,294	4,572,212	12,690	64,083	76,773
North Carolina	2,529,575	185,402	2,714,977	5,950	40,552	46,502
Ohio	6,873,953	376,766	7,250,719	38,500	92,641	131,141
Oklahoma	859,244	106,425	965,669	-	27,972	27,972
Oregon	-	22,824	22,824	16,090	6,341	22,431
Pennsylvania	3,490,018	299,269	3,789,287	13,157	27,189	40,346
Rhode Island	4,446,000	195,115	4,641,115	-	27,426	27,426
South Carolina	2,090,210	70,402	2,160,612	1,200	7,204	8,404
Tennessee	1,187,655	60,998	1,248,653	-	5,457	5,457
Texas	4,036,976	90,944	4,127,920	-	23,498	23,498
Utah	525,920	101,521	627,441	-	15,240	15,240
Vermont	4,193,254	240,072	4,433,326	5,790	52,306	58,096
Virginia	1,733,700	147,479	1,881,179	2,790	21,850	24,640
Washington	3,516,000	111,363	3,627,363	850	35,565	36,415
West Virginia	3,168,110	83,553	3,251,663	1,600	119,781	121,381
Wisconsin	1,010,244	106,636	1,116,880	2,175	5,924	8,099
Wyoming	6,035,500	581,433	6,616,933	2,400	184,209	186,609
Total	119,377,107	6,395,503	125,772,610	164,677	1,372,347	1,537,024

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Grassland Reserve Program (GRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$11,339	$41,777	$53,116	-	$589	$589
Alaska	-	40,662	40,662	-	1,158	1,158
Arizona	-	19,482	19,482	$1,561	-	1,561
Arkansas	21,874	53,112	74,986	-	474	474
California	3,000	92,028	95,028	8,216	11,858	20,074
Colorado	19,162	158,521	177,683	2,577	8,108	10,685
Connecticut	36,450	32,588	69,038	901	2,280	3,181
Delaware	5,000	13,314	18,314	-	-	-
Florida	40,000	84,960	124,960	-	3,406	3,406
Georgia	-	4,173	4,173	-	-	-
Pacific Islands Area	56,300	116,272	172,572	-	7,395	7,395
Idaho	39,909	330,553	370,462	55,178	80,578	135,756

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Illinois	36,700	90,263	126,963	670	6,229	6,899
Indiana	-	43,889	43,889	-	3,949	3,949
Iowa	6,200	45,971	52,171	-	224	224
Kansas	86,072	125,877	211,949	7,735	13,744	21,479
Kentucky	1,800	29,726	31,526	-	1,099	1,099
Louisiana	-	1,000	1,000	-	-	-
Maine	-	1,000	1,000	-	-	-
Maryland	-	5,866	5,866	-	-	-
Massachusetts	-	43,297	43,297	-	2,372	2,372
Michigan	11,270	19,194	30,464	1,771	-	1,771
Minnesota	9,690	94,410	104,100	-	28,913	28,913
Mississippi	11,910	41,163	53,073	-	4,713	4,713
Missouri	17,700	37,277	54,977	-	-	-
Montana	51,659	123,406	175,065	79,696	4,270	83,966
Nebraska	-	24,728	24,728	-	-	-
Nevada	20,500	263,687	284,187	97,298	4,813	102,111
New Hampshire	-	5,376	5,376	-	-	-
New Jersey	76,200	7,063	83,263	-	-	-
New Mexico	23,000	53,797	76,797	-	3,977	3,977
New York	1,969	24,808	26,777	-	-	-
North Carolina	-	21,214	21,214	-	-	-
North Dakota	-	9,240	9,240	-	-	-
Ohio	-	12,576	12,576	-	-	-
Oklahoma	49,500	68,385	117,885	-	3,391	3,391
Oregon	17,942	57,306	75,248	-	16,497	16,497
Pennsylvania	82,400	28,198	110,598	-	2,673	2,673
Rhode Island	20,000	27,917	47,917	-	951	951
South Carolina	46,000	305,778	351,778	8,500	5,389	13,889
South Dakota	43,450	129,247	172,697	72,388	5,591	77,979
Tennessee	4,015	75,770	79,785	-	37,152	37,152
Texas	123,375	684,568	807,943	-	82,877	82,877
Utah	51,245	232,445	283,690	15,000	20,391	35,391
Vermont	2,125	13,817	15,942	-	-	-
Virginia	20,470	53,039	73,509	-	10,003	10,003
Washington	54,150	23,489	77,639	-	260	260
West Virginia	19,000	43,144	62,144	4,218	20,770	24,989
Wisconsin	13,974	91,589	105,563	-	10,118	10,118
Wyoming	12,500	413,079	425,579	6,055	13,595	19,650
Total	1,147,850	4,360,041	5,507,891	361,764	419,807	781,572

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Healthy Forest Reserve Program (HFRP-99) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
California	$107,100	$19,263	$126,363	-	-	-
Georgia	-	3,086	3,086	-	-	-
Indiana	570,000	64,210	634,210	-	-	-
Kentucky	1,068,500	187,320	1,255,820	-	-	-
Michigan	694,960	121,025	815,985	-	-	-
Mississippi	714,000	124,342	838,342	-	-	-
Ohio	8,446	29,632	38,078	-	-	-
Oklahoma	1,542,500	174,927	1,717,427	-	-	-
Oregon	1,681,750	191,810	1,873,560	-	-	-
Pennsylvania	831,060	100,418	931,478	-	-	-
South Carolina	267,750	48,158	315,908	-	-	-
Total	7,486,066	1,064,191	8,550,257	-	-	-

Note: Mandatory funding for program terminated effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Wildlife Habitat Incentive Program (WHIP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$5,028,000	$707,170	$5,735,170	$1,272,790	$387,150	$1,659,940
Alaska	5,476,232	668,113	6,144,345	-	109,933	109,933
Arizona	-	97,825	97,825	-	12,641	12,641
Arkansas	2,528,516	483,600	3,012,116	-	53,635	53,635
California	1,570,000	704,854	2,274,854	-	97,707	97,707
Colorado	200,000	226,287	426,287	-	92,156	92,156
Connecticut	585,000	269,089	854,089	-	84,151	84,151
Delaware	9,400	51,384	60,784	-	6,333	6,333
Florida	583,255	271,053	854,308	1,871	50,856	52,727
Georgia	4,329,804	2,131,106	6,460,910	-	572,328	572,328
Pacific Islands Area	-	119,455	119,455	-	14,258	14,258
Idaho	1,870,157	355,817	2,225,974	-	56,810	56,810
Illinois	-	160,326	160,326	-	16,708	16,708
Indiana	-	202,900	202,900	-	93,729	93,729
Iowa	429,020	144,724	573,744	-	6,486	6,486
Kansas	1,500,000	335,300	1,835,300	-	32,779	32,779
Kentucky	-	159,458	159,458	-	102,180	102,180
Louisiana	482,177	443,951	926,128	-	45,060	45,060
Maine	507,740	226,495	734,235	294,669	92,749	387,418
Maryland	295,000	88,497	383,497	-	23,784	23,784

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Massachusetts	160,850	198,065	358,915	50,000	26,242	76,242
Michigan	-	270,682	270,682	-	35,361	35,361
Minnesota	1,250,000	229,867	1,479,867	-	24,067	24,067
Mississippi	1,600,000	311,521	1,911,521	-	143,474	143,474
Missouri	540,000	263,092	803,092	-	17,744	17,744
Montana	455,000	125,705	580,705	-	12,979	12,979
Nebraska	-	260,673	260,673	-	19,599	19,599
Nevada	161,200	61,165	222,365	-	2,058	2,058
New Hampshire	200,000	208,867	408,867	-	36,861	36,861
New Jersey	112,711	303,454	416,165	-	63,508	63,508
New Mexico	674,650	196,085	870,735	-	8,002	8,002
New York	410,355	113,767	524,122	194,564	38,549	233,113
North Carolina	40,000	120,010	160,010	-	8,953	8,953
North Dakota	42,000	195,694	237,694	-	889	889
Ohio	-	82,224	82,224	-	300	300
Oklahoma	-	266,152	266,152	-	16,545	16,545
Oregon	1,024,029	235,340	1,259,369	-	56,200	56,200
Pennsylvania	2,370,200	444,467	2,814,667	-	52,415	52,415
Rhode Island	125,490	217,300	342,790	-	32,026	32,026
South Carolina	178,004	450,755	628,759	-	101,890	101,890
South Dakota	4,375,018	396,270	4,771,288	-	68,421	68,421
Tennessee	1,345,000	295,102	1,640,102	26,151	132,004	158,155
Texas	7,350,000	1,032,836	8,382,836	251,982	129,195	381,177
Utah	88,717	99,011	187,728	-	9,212	9,212
Vermont	81,744	212,967	294,711	51,865	28,876	80,741
Virginia	25,325	339,493	364,818	-	26,362	26,362
Washington	326,000	270,382	596,382	-	44,348	44,348
West Virginia	736,000	331,967	1,067,967	102,601	209,003	311,604
Wisconsin	30,720	108,307	139,027	-	6,499	6,499
Wyoming	-	322,872	322,872	-	19,999	19,999
Puerto Rico	20,000	3,060	23,060	-	-	-
Total	49,117,314	15,814,556	64,931,870	2,246,493	3,323,014	5,569,507

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Wetlands Reserve Program (WRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$2,972,499	$850,111	$3,822,610	$362,479	$152,844	$515,323
Alaska	-	43,666	43,666	-	-	-
Arizona	-	83,950	83,950	-	-	-
Arkansas	24,500,000	2,924,641	27,424,641	-	284,829	284,829
California	16,364,000	2,367,307	18,731,307	43,655	512,150	555,805
Colorado	617,571	304,082	921,653	16,536	58,811	75,347
Connecticut	-	35,405	35,405	-	1,085	1,085
Delaware	678,348	74,824	753,172	65,958	31,379	97,337
Florida	62,419,743	6,275,771	68,695,514	5,089,700	1,583,885	6,673,585
Georgia	8,750,000	945,595	9,695,595	-	172,926	172,926
Pacific Islands Area	710,500	156,407	866,907	-	34,085	34,085
Idaho	1,670,000	245,876	1,915,876	15,685	54,127	69,812
Illinois	5,340,926	1,219,787	6,560,713	532,737	317,262	849,999
Indiana	4,880,500	1,320,386	6,200,886	16,215	462,219	478,434
Iowa	21,645,838	1,886,419	23,532,257	4,940	465,301	470,241
Kansas	1,359,832	689,688	2,049,520	7,121	132,734	139,854
Kentucky	11,407,321	1,038,460	12,445,781	15,063	190,768	205,830
Louisiana	33,019,917	6,729,022	39,748,939	881,611	331,047	1,212,658
Maine	500,000	59,867	559,867	800	3,526	4,326
Maryland	5,109,000	725,350	5,834,350	10,989	139,185	150,174
Massachusetts	2,845,173	226,112	3,071,285	3,230	23,968	27,198
Michigan	4,342,189	1,176,856	5,519,045	66,104	198,560	264,664
Minnesota	27,370,000	3,369,092	30,739,092	259,320	656,972	916,292
Mississippi	16,221,100	2,310,708	18,531,808	13,741	748,133	761,874
Missouri	11,683,632	2,320,594	14,004,226	9,918	603,909	613,827
Montana	1,987,270	690,957	2,678,227	36,723	104,792	141,515
Nebraska	7,996,351	1,228,966	9,225,317	496,555	325,326	821,880
Nevada	8,244,761	187,824	8,432,585	9,055	16,102	25,157
New Hampshire	3,958,766	539,667	4,498,433	7,880	92,483	100,363
New Jersey	2,459,677	210,333	2,670,010	3,500	55,093	58,593
New Mexico	88,999	84,852	173,851	6,030	4,578	10,608
New York	5,155,357	1,053,885	6,209,242	83,437	215,837	299,274
North Carolina	7,620,000	1,122,467	8,742,467	15,000	258,236	273,236
North Dakota	8,415,000	2,498,522	10,913,522	334,631	696,887	1,031,518
Ohio	4,880,794	776,375	5,657,169	-	45,325	45,325
Oklahoma	7,699,388	1,174,000	8,873,388	267,747	217,785	485,533
Oregon	3,800,000	1,766,030	5,566,030	-	483,823	483,823
Pennsylvania	7,745,134	736,649	8,481,783	143,154	75,853	219,007
Rhode Island	245,000	40,797	285,797	-	6,415	6,415
South Carolina	2,222,215	883,639	3,105,854	216,161	294,260	510,421
South Dakota	17,726,775	2,343,997	20,070,772	183,723	630,948	814,672

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Tennessee	12,972,995	1,589,594	14,562,589	31,429	250,591	282,020
Texas	14,322,237	2,757,203	17,079,440	149,672	643,210	792,881
Utah	1,490,204	132,674	1,622,878	35,718	37,761	73,479
Vermont	347,284	208,526	555,810	5,025	16,390	21,415
Virginia	800,000	179,551	979,551	55,117	16,533	71,650
Washington	3,231,540	412,855	3,644,395	-	81,328	81,328
West Virginia	248,048	90,089	338,137	7,475	22,345	29,820
Wisconsin	5,817,781	813,728	6,631,509	495,325	136,589	631,914
Wyoming	29,800	304,963	334,763	-	91,406	91,406
Puerto Rico	87,115	41,736	128,851	-	-	-
Total	394,000,580	59,249,855	453,250,435	9,999,159	11,979,601	21,978,758

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 13-79).

State By State Allocations

Mr. Aderholt: Please provide a State-by-State summary of the final allocation for fiscal year 2013 and estimated allocation for fiscal year 2014 of conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

Conservation Technical Assistance (CTA) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$7,473,778	$7,473,778	-	$6,444,372	$6,444,372
Alaska	-	2,888,324	2,888,324	-	1,927,004	1,927,004
Arizona	-	5,022,335	5,022,335	-	3,320,508	3,320,508
Arkansas	-	8,695,058	8,695,058	-	6,977,399	6,977,399
California	-	15,955,525	15,955,525	-	12,331,340	12,331,340
Colorado	-	9,893,540	9,893,540	-	8,232,718	8,232,718
Connecticut	-	2,767,929	2,767,929	-	1,967,636	1,967,636
Delaware	-	1,430,049	1,430,049	-	1,368,760	1,368,760
Florida	-	7,453,452	7,453,452	-	5,021,892	5,021,892
Georgia	-	6,458,000	6,458,000	-	7,945,574	7,945,574
Pacific Islands Area	-	5,675,189	5,675,189	-	5,406,407	5,406,407
Idaho	-	7,223,619	7,223,619	-	5,806,650	5,806,650
Illinois	-	15,548,544	15,548,544	-	11,888,424	11,888,424
Indiana	-	9,880,841	9,880,841	-	8,802,932	8,802,932
Iowa	-	22,063,718	22,063,718	-	16,455,458	16,455,458
Kansas	-	16,880,512	16,880,512	-	12,936,274	12,936,274

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Kentucky	-	10,813,206	10,813,206	-	8,431,746	8,431,746
Louisiana	-	9,183,010	9,183,010	-	6,406,694	6,406,694
Maine	-	3,585,737	3,585,737	-	2,682,950	2,682,950
Maryland	-	3,770,755	3,770,755	-	3,020,386	3,020,386
Massachusetts	-	2,509,682	2,509,682	-	1,884,974	1,884,974
Michigan	-	10,007,910	10,007,910	-	7,113,983	7,113,983
Minnesota	-	9,174,058	9,174,058	-	9,243,637	9,243,637
Mississippi	-	12,679,385	12,679,385	-	9,662,190	9,662,190
Missouri	-	16,692,737	16,692,737	-	19,079,101	19,079,101
Montana	-	11,129,004	11,129,004	-	9,070,534	9,070,534
Nebraska	-	14,898,785	14,898,785	-	11,113,719	11,113,719
Nevada	-	2,430,778	2,430,778	-	1,877,743	1,877,743
New Hampshire	-	2,544,572	2,544,572	-	1,950,878	1,950,878
New Jersey	-	3,239,156	3,239,156	-	2,591,040	2,591,040
New Mexico	-	5,550,208	5,550,208	-	4,941,957	4,941,957
New York	-	8,073,213	8,073,213	-	6,385,191	6,385,191
North Carolina	-	7,542,536	7,542,536	-	6,017,120	6,017,120
North Dakota	-	11,385,276	11,385,276	-	9,326,520	9,326,520
Ohio	-	10,081,646	10,081,646	-	7,672,154	7,672,154
Oklahoma	-	13,823,679	13,823,679	-	10,615,844	10,615,844
Oregon	-	7,503,295	7,503,295	-	5,753,369	5,753,369
Pennsylvania	-	9,132,642	9,132,642	-	7,007,703	7,007,703
Rhode Island	-	1,731,583	1,731,583	-	1,202,550	1,202,550
South Carolina	-	5,970,874	5,970,874	-	5,060,840	5,060,840
South Dakota	-	10,222,385	10,222,385	-	8,118,484	8,118,484
Tennessee	-	11,406,582	11,406,582	-	7,949,485	7,949,485
Texas	-	29,818,156	29,818,156	-	25,740,227	25,740,227
Utah	-	4,755,320	4,755,320	-	4,154,779	4,154,779
Vermont	-	2,721,948	2,721,948	-	2,091,799	2,091,799
Virginia	-	6,003,629	6,003,629	-	5,381,538	5,381,538
Washington	-	9,506,278	9,506,278	-	7,126,729	7,126,729
West Virginia	-	5,556,100	5,556,100	-	4,278,444	4,278,444
Wisconsin	-	10,677,028	10,677,028	-	9,179,214	9,179,214
Wyoming	-	5,828,030	5,828,030	-	4,462,676	4,462,676
Puerto Rico	-	2,902,636	2,902,636	-	2,159,411	2,159,411
Total	-	438,162,232	438,162,232	-	355,588,957	355,588,957

Soil Survey (CO-02) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$263,927	$263,927	-	$407,282	$407,282
Alaska	-	419,111	419,111	-	312,896	312,896
Arizona	-	195,503	195,503	-	490,468	490,468
Arkansas	-	268,978	268,978	-	167,206	167,206
California	-	516,709	516,709	-	570,806	570,806
Colorado	-	285,787	285,787	-	272,398	272,398
Connecticut	-	209,060	209,060	-	184,499	184,499
Delaware	-	137,784	137,784	-	118,969	118,969
Florida	-	318,850	318,850	-	190,434	190,434
Georgia	-	269,397	269,397	-	233,568	233,568
Pacifie Islands Area	-	265,639	265,639	-	171,505	171,505
Idaho	-	205,516	205,516	-	187,256	187,256
Illinois	-	289,026	289,026	-	268,455	268,455
Indiana	-	252,470	252,470	-	377,078	377,078
Iowa	-	250,773	250,773	-	175,749	175,749
Kansas	-	287,536	287,536	-	414,093	414,093
Kentucky	-	246,462	246,462	-	204,402	204,402
Louisiana	-	286,165	286,165	-	175,943	175,943
Maine	-	252,897	252,897	-	170,629	170,629
Maryland	-	239,830	239,830	-	398,396	398,396
Massachusetts	-	314,227	314,227	-	367,094	367,094
Michigan	-	249,034	249,034	-	186,514	186,514
Minnesota	-	301,779	301,779	-	569,002	569,002
Mississippi	-	244,826	244,826	-	194,920	194,920
Missouri	-	221,524	221,524	-	225,737	225,737
Montana	-	370,107	370,107	-	427,134	427,134
Nebraska	-	408,492	408,492	-	202,614	202,614
Nevada	-	222,854	222,854	-	216,631	216,631
New Hampshire	-	202,754	202,754	-	144,966	144,966
New Jersey	-	200,723	200,723	-	169,557	169,557
New Mexico	-	255,784	255,784	-	242,822	242,822
New York	-	231,526	231,526	-	168,973	168,973
North Carolina	-	371,953	371,953	-	434,757	434,757
North Dakota	-	233,752	233,752	-	225,881	225,881
Ohio	-	239,244	239,244	-	194,201	194,201
Oklahoma	-	266,374	266,374	-	209,215	209,215
Oregon	-	376,264	376,264	-	445,055	445,055
Pennsylvania	-	257,682	257,682	-	158,449	158,449
Rhode Island	-	164,449	164,449	-	121,909	121,909
South Carolina	-	188,968	188,968	-	168,688	168,688
South Dakota	-	282,520	282,520	-	213,312	213,312
Tennessee	-	291,412	291,412	-	241,742	241,742

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Texas	-	539,582	539,582	-	652,028	652,028
Utah	-	348,191	348,191	-	217,194	217,194
Vermont	-	197,118	197,118	-	166,992	166,992
Virginia	-	250,293	250,293	-	145,737	145,737
Washington	-	265,203	265,203	-	233,538	233,538
West Virginia	-	254,196	254,196	-	385,969	385,969
Wisconsin	-	276,079	276,079	-	240,208	240,208
Wyoming	-	356,215	356,215	-	168,054	168,054
Puerto Rico	-	184,746	184,746	-	161,789	161,789
Total	-	14,029,291	14,029,291	-	13,392,714	13,392,714

Snow Survey (CO-45) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alaska	-	$188,031	$188,031	-	$578,134	$578,134
Arizona	-	3,247	3,247	-	126,873	126,873
California	-	4,300	4,300	-	28,939	28,939
Colorado	-	272,355	272,355	-	1,020,893	1,020,893
Idaho	-	176,116	176,116	-	921,240	921,240
Montana	-	532,698	532,698	-	920,518	920,518
Nevada	-	-	-	-	318,600	318,600
New Mexico	-	35,737	35,737	-	161,850	161,850
Oregon	-	543,807	543,807	-	1,059,659	1,059,659
Utah	-	360,525	360,525	-	1,015,966	1,015,966
Washington	-	41,600	41,600	-	238,113	238,113
Wyoming	-	29,222	29,222	-	293,298	293,298
Total	-	2,187,638	2,187,638	-	6,684,083	6,684,083

Plants Material Center (CO-46) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	-	$362,000	$362,000	-	$350,000	$350,000
Arkansas	-	357,000	357,000	-	360,000	360,000
California	-	402,600	402,600	-	320,000	320,000
Colorado	-	73,500	73,500	-	-	-
Florida	-	367,000	367,000	-	315,000	315,000
Georgia	-	199,000	199,000	-	140,000	140,000

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Pacific Islands Area	-	317,100	317,100	-	350,000	350,000
Idaho	-	394,450	394,450	-	420,000	420,000
Kansas	-	327,400	327,400	-	320,000	320,000
Louisiana	-	330,000	330,000	-	305,000	305,000
Maryland	-	452,600	452,600	-	402,000	402,000
Michigan	-	353,800	353,800	-	330,000	330,000
Mississippi	-	185,900	185,900	-	190,000	190,000
Missouri	-	336,500	336,500	-	300,000	300,000
Montana	-	350,000	350,000	-	340,000	340,000
Nevada	-	184,800	184,800	-	200,000	200,000
New Jersey	-	393,275	393,275	-	395,000	395,000
New Mexico	-	386,000	386,000	-	383,000	383,000
New York	-	320,000	320,000	-	310,000	310,000
North Dakota	-	441,000	441,000	-	410,000	410,000
Oregon	-	323,500	323,500	-	290,000	290,000
Texas	-	995,001	995,001	-	960,000	960,000
Washington	-	334,050	334,050	-	320,000	320,000
West Virginia	-	279,900	279,900	-	300,000	300,000
Puerto Rico	-	28,000	28,000	-	-	-
Total	-	8,494,376	8,494,376	-	8,010,000	8,010,000

Emergency Watershed Protection (EWP-15) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Colorado	$1,938,682	$193,868	$2,132,550	-	-	-
Kansas	12,713	2,543	15,256	-	-	-
Kentucky	434,850	86,970	521,820	-	-	-
Maine	22,500	4,500	27,000	-	-	-
Mississippi	271,388	54,277	325,665	-	-	-
New Mexico	177,225	35,445	212,670	-	-	-
Ohio	308,850	30,885	339,735	-	-	-
Tennessee	467,601	87,271	554,872	-	-	-
Utah	7,000,000	1,670,000	8,670,000	-	-	-
Total	10,633,809	2,165,759	12,799,568	-	-	-

Emergency Watershed Protection (EWP-62) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Colorado	$14,609,000	$1,460,900	$16,069,900	-	-	-
Florida	6,975,000	743,500	7,718,500	-	-	-
Minnesota	668,625	66,862	735,487	-	-	-
Mississippi	4,913,553	491,355	5,404,908	-	-	-
New York	9,278,488	927,849	10,206,337	-	-	-
Tennessee	48,825	9,765	58,590	-	-	-
Utah	500,000	100,000	600,000	-	-	-
Wisconsin	1,420,000	142,000	1,562,000	-	-	-
Total	38,413,491	3,942,231	42,355,722	-	-	-

Emergency Watershed Protection (EWP-63) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Connecticut	$609,594	$119,672	$729,266	-	-	-
Maryland	250,000	40,000	290,000	-	-	-
New Jersey	2,700,300	320,032	3,020,332	-	-	-
New York	1,389,225	138,922	1,528,147	-	-	-
Rhode Island	34,902	6,909	41,811	-	-	-
Total	4,984,021	625,535	5,609,556	-	-	-

Small Water Rehab Protection (SWRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	-	-	-	-	$112,000	$112,000
Arkansas	-	-	-	-	445,500	445,500
Colorado	-	-	-	-	650,000	650,000
Kansas	-	-	-	-	1,481,000	1,481,000
Massachusetts	-	-	-	-	225,000	225,000
Mississippi	-	-	-	$1,500,000	375,000	1,875,000
Nebraska	-	-	-	-	857,236	857,236
Nevada	-	-	-	-	280,000	280,000
New Mexico	-	-	-	-	350,000	350,000
New York	-	-	-	-	800,000	800,000
Ohio	-	-	-	-	443,000	443,000
Oklahoma	-	-	-	-	200,000	200,000

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Pennsylvania	-	-	-	-	1,165,000	1,165,000
Tennessee	-	-	-	-	40,000	40,000
Texas	-	-	-	3,900,000	490,000	4,390,000
Utah	-	-	-	3,200,000	1,220,000	4,420,000
Virginia	-	-	-	-	200,000	200,000
West Virginia	-	-	-	-	1,650,099	1,650,099
Wyoming	-	-	-	-	15,796	15,796
Total	-	-	-	8,600,000	10,999,631	19,599,631

Note: Mandatory funding provided by the Agricultural Act of 2014 (P.L. 113-79).

Watershed Rehabilitation (WR-84) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Arizona	$7,000,000	$371,996	$7,371,996	$2,250,000	$25,000	$2,275,000
Arkansas	-	20,000	20,000	-	-	-
Connecticut	-	40,000	40,000	-	80,000	80,000
Kentucky	-	488,000	488,000	-	353,000	353,000
Maine	-	-	-	-	60,000	60,000
Massachusetts	-	-	-	-	120,000	120,000
Nevada	-	-	-	-	280,000	280,000
New Mexico	-	20,000	20,000	-	-	-
New York	-	217,375	217,375	-	600,000	600,000
Ohio	-	9,000	9,000	-	-	-
Oklahoma	-	480,000	480,000	-	795,000	795,000
Pennsylvania	-	333,033	333,033	-	295,000	295,000
Tennessee	-	404,000	404,000	-	60,000	60,000
Texas	-	286,000	286,000	4,150,000	2,586,000	6,736,000
Utah	-	998,500	998,500	-	-	-
Virginia	2,078,940	195,000	2,273,940	-	300,000	300,000
West Virginia	-	350,000	350,000	-	-	-
Wyoming	-	-	-	-	38,307	38,307
Total	9,078,940	4,212,904	13,291,844	6,400,000	5,592,307	11,992,307

Agricultural Conservation Easement Program (ACEP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	-	-	$1,800	$399,653	$401,453
Alaska	-	-	-	-	4,966	4,966
Arizona	-	-	-	-	21,672	21,672
Arkansas	-	-	-	12,303	2,738,710	2,751,013
California	-	-	-	95,900	2,215,776	2,311,676
Colorado	-	-	-	-	674,446	674,446
Connecticut	-	-	-	-	301,349	301,349
Delaware	-	-	-	-	239,628	239,628
Florida	-	-	-	-	6,474,489	6,474,489
Georgia	-	-	-	-	719,263	719,263
Pacific Islands Area	-	-	-	-	129,012	129,012
Idaho	-	-	-	-	227,119	227,119
Illinois	-	-	-	60,000	508,236	568,236
Indiana	-	-	-	-	351,139	351,139
Iowa	-	-	-	24,051	2,312,998	2,337,049
Kansas	-	-	-	-	190,984	190,984
Kentucky	-	-	-	-	1,289,700	1,289,700
Louisiana	-	-	-	406,913	4,468,143	4,875,056
Maine	-	-	-	-	66,087	66,087
Maryland	-	-	-	211,000	414,079	625,079
Massachusetts	-	-	-	11,100	387,643	398,743
Michigan	-	-	-	-	458,680	458,680
Minnesota	-	-	-	-	2,138,370	2,138,370
Mississippi	-	-	-	-	1,140,545	1,140,545
Missouri	-	-	-	-	583,352	583,352
Montana	-	-	-	-	394,371	394,371
Nebraska	-	-	-	2,500	827,644	830,144
Nevada	-	-	-	-	707,941	707,941
New Hampshire	-	-	-	12,300	331,123	343,423
New Jersey	-	-	-	14,910	363,655	378,565
New Mexico	-	-	-	-	45,888	45,888
New York	-	-	-	1,800	610,342	612,142
North Carolina	-	-	-	725	441,067	441,792
North Dakota	-	-	-	-	1,851,666	1,851,666
Ohio	-	-	-	1,123	843,416	844,539
Oklahoma	-	-	-	2,590	339,177	341,767
Oregon	-	-	-	-	855,343	855,343
Pennsylvania	-	-	-	266,800	956,936	1,223,736
Rhode Island	-	-	-	-	80,218	80,218
South Carolina	-	-	-	-	141,581	141,581

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
South Dakota	-	-	-	-	1,516,486	1,516,486
Tennessee	-	-	-	-	1,876,270	1,876,270
Texas	-	-	-	8,000	1,348,698	1,356,698
Utah	-	-	-	-	159,722	159,722
Vermont	-	-	-	3,000	329,278	332,278
Virginia	-	-	-	1,000	156,544	157,544
Washington	-	-	-	-	137,034	137,034
West Virginia	-	-	-	10,500	218,490	228,990
Wisconsin	-	-	-	-	550,253	550,253
Wyoming	-	-	-	-	89,970	89,970
Puerto Rico	-	-	-	-	4,004	4,004
Total	-	-	-	1,148,315	43,633,156	44,781,471

Note: Program created effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 113-79).

Agricultural Management Assistance (AMA) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Connecticut	$94,000	$9,385	$103,385	$51,071	$33,897	$84,968
Delaware	62,642	9,200	71,842	15,629	7,320	22,949
Pacific Islands Area	40,130	45,056	85,186	85,246	18,622	103,868
Maine	456,600	52,468	509,068	470,879	75,044	545,923
Maryland	63,700	38,135	101,835	182,414	27,444	209,858
Massachusetts	56,713	17,929	74,642	76,145	23,001	99,146
Nevada	60,675	7,767	68,442	32,572	17,870	50,442
New Hampshire	97,000	10,500	107,500	11,010	7,087	18,097
New Jersey	134,800	63,120	197,920	192,993	40,541	233,534
New York	169,000	45,800	214,800	381,659	59,575	441,234
Pennsylvania	279,400	55,600	335,000	80,930	25,261	106,191
Rhode Island	37,400	11,300	48,700	58,720	18,797	77,517
Utah	-	17,385	17,385	191,917	29,451	221,368
Vermont	94,745	20,726	115,471	32,948	13,024	45,972
West Virginia	183,569	35,550	219,119	63,814	22,243	86,057
Wyoming	142,500	69,900	212,400	55,053	60,821	115,874
Total	1,972,874	509,821	2,482,695	1,983,000	479,998	2,462,998

Agricultural Water Enhancement Program (AWEP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$1,025,217	$223,010	$1,248,227	-	$26,319	$26,319
Arkansas	855,014	351,315	1,206,329	-	98,778	98,778
California	11,216,345	1,651,963	12,868,308	-	368,175	368,175
Colorado	664,705	92,881	757,586	-	3,212	3,212
Delaware	-	9,000	9,000	-	-	-
Florida	-	114,765	114,765	-	5,658	5,658
Georgia	1,282,521	751,795	2,034,316	-	58,053	58,053
Idaho	4,877,158	513,791	5,390,949	-	160,830	160,830
Illinois	40,309	63,476	103,785	-	612	612
Indiana	837,882	142,956	980,838	$301,303	65,581	366,884
Iowa	84,196	58,807	143,003	-	284	284
Kansas	2,689,143	363,829	3,052,972	-	80,108	80,108
Louisiana	-	25,000	25,000	-	-	-
Michigan	1,795,141	183,043	1,978,184	-	86,762	86,762
Minnesota	3,453,140	239,591	3,692,731	-	39,830	39,830
Mississippi	2,179,585	415,801	2,595,386	-	170,333	170,333
Montana	857,251	158,631	1,015,882	-	22,823	22,823
Nebraska	3,708,103	412,809	4,120,912	-	87,975	87,975
Nevada	-	17,750	17,750	-	-	-
New Jersey	194,352	63,269	257,621	-	12,412	12,412
New Mexico	63,576	120,226	183,802	-	6,185	6,185
New York	-	81,319	81,319	-	25,484	25,484
North Carolina	-	8,627	8,627	-	-	-
North Dakota	2,261,537	240,585	2,502,122	67,431	11,599	79,030
Oklahoma	465,602	231,107	696,709	-	38,296	38,296
Oregon	1,693,618	319,236	2,012,854	-	76,700	76,700
South Dakota	56,103	71,317	127,420	-	2,175	2,175
Texas	4,617,475	811,720	5,429,195	-	83,134	83,134
Washington	102,122	85,139	187,261	-	5,540	5,540
Wyoming	342,444	133,423	475,867	-	37,391	37,391
Total	45,362,539	7,956,181	53,318,720	368,734	1,574,249	1,942,983

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 P.L. 113-79).

Chesapeake Bay Watershed Initiative (CBWI) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Delaware	$975,326	$143,018	$1,118,344	-	$145,100	$145,100
Maryland	10,540,403	1,577,077	12,117,480	-	1,508,000	1,508,000
New York	4,927,420	577,551	5,504,971	-	528,700	528,700
Pennsylvania	9,400,000	1,083,491	10,483,491	$4,856	1,368,000	1,372,856
Virginia	8,817,000	1,364,305	10,181,305	-	1,255,400	1,255,400
West Virginia	7,100,000	990,574	8,090,574	-	695,600	695,600
Total	41,760,149	5,736,016	47,496,165	4,856	5,500,800	5,505,656

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Conservation Reserve Program (CRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	-	$1,315,445	$1,315,445	-	$88,752	$88,752
Alaska	-	19,114	19,114	-	15,189	15,189
Arkansas	-	567,323	567,323	-	413,192	413,192
California	-	72,141	72,141	-	13,260	13,260
Colorado	-	1,523,492	1,523,492	-	674,808	674,808
Connecticut	-	8,388	8,388	-	1,189	1,189
Delaware	-	43,542	43,542	-	16,889	16,889
Florida	-	118,772	118,772	-	83,198	83,198
Georgia	-	721,603	721,603	-	482,605	482,605
Pacific Islands Area	-	37,564	37,564	-	5,348	5,348
Idaho	-	830,681	830,681	-	587,657	587,657
Illinois	-	5,538,962	5,538,962	-	5,821,868	5,821,868
Indiana	-	5,102,233	5,102,233	-	3,732,652	3,732,652
Iowa	-	5,717,232	5,717,232	-	11,301,726	11,301,726
Kansas	-	2,591,530	2,591,530	-	3,603,823	3,603,823
Kentucky	-	2,004,046	2,004,046	-	1,473,508	1,473,508
Louisiana	-	149,802	149,802	-	328,886	328,886
Maine	-	83,069	83,069	-	10,235	10,235
Maryland	-	712,409	712,409	-	567,425	567,425
Michigan	-	646,636	646,636	-	675,814	675,814
Minnesota	-	5,870,719	5,870,719	-	4,851,878	4,851,878
Mississippi	-	1,644,016	1,644,016	-	2,427,542	2,427,542
Missouri	-	6,205,318	6,205,318	-	1,672,373	1,672,373
Montana	-	1,093,476	1,093,476	-	238,230	238,230
Nebraska	-	1,940,325	1,940,325	-	2,220,825	2,220,825

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Nevada	-	593	593	-	909	909
New Jersey	-	102,325	102,325	-	58,158	58,158
New Mexico	-	302,306	302,306	-	256,744	256,744
New York	-	168,557	168,557	-	182,777	182,777
North Carolina	-	581,711	581,711	-	581,576	581,576
North Dakota	-	2,397,877	2,397,877	-	1,499,516	1,499,516
Ohio	-	3,494,206	3,494,206	-	5,409,321	5,409,321
Oklahoma	-	1,202,438	1,202,438	-	519,433	519,433
Oregon	-	632,010	632,010	-	484,217	484,217
Pennsylvania	-	1,184,521	1,184,521	-	2,358,172	2,358,172
Rhode Island	-	-	-	-	1,000	1,000
South Carolina	-	540,848	540,848	-	432,962	432,962
South Dakota	-	2,215,958	2,215,958	-	3,932,187	3,932,187
Tennessee	-	622,431	622,431	-	273,529	273,529
Texas	-	2,397,030	2,397,030	-	2,737,553	2,737,553
Utah	-	107,653	107,653	-	50,989	50,989
Vermont	-	60,343	60,343	-	21,038	21,038
Virginia	-	847,636	847,636	-	344,396	344,396
Washington	-	942,818	942,818	-	324,554	324,554
West Virginia	-	41,151	41,151	-	73,230	73,230
Wisconsin	-	2,052,627	2,052,627	-	1,301,617	1,301,617
Wyoming	-	282,428	282,428	-	176,498	176,498
Puerto Rico	-	-	-	-	880	880
Total	-	64,735,305	64,735,305	-	62,330,128	62,330,128

Conservation Security Program (CSP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$1,029,050	$152,400	$1,181,450	$1,013,000	$35,751	$1,048,751
Alaska	15,445	33,859	49,304	16,000	1,882	17,882
Arizona	146,056	13,991	160,047	147,000	73,383	220,383
Arkansas	3,581,695	366,194	3,947,889	2,442,000	240,847	2,682,847
California	2,416,280	226,126	2,642,406	2,283,000	104,430	2,387,430
Colorado	2,018,840	250,014	2,268,854	1,943,000	149,588	2,092,588
Connecticut	15,338	9,814	25,152	13,000	2,822	15,822
Delaware	232,026	21,630	253,656	228,000	12,230	240,230
Georgia	1,733,342	372,508	2,105,850	1,062,000	41,396	1,103,396
Pacific Islands Area	135,871	28,639	164,510	136,000	4,704	140,704
Idaho	9,228,523	376,045	9,604,568	8,740,000	201,333	8,941,333
Illinois	6,200,467	548,955	6,749,422	2,192,000	119,483	2,311,483

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Indiana	5,378,761	198,053	5,576,814	3,257,000	129,831	3,386,831
Iowa	15,862,143	559,362	16,421,505	13,549,000	342,454	13,891,454
Kansas	5,362,996	336,554	5,699,550	4,588,000	205,096	4,793,096
Kentucky	76,925	55,394	132,319	75,000	13,171	88,171
Louisiana	104,216	36,862	141,078	105,000	5,645	110,645
Maine	82,452	18,284	100,736	83,000	7,526	90,526
Maryland	1,124,399	136,832	1,261,231	1,096,000	78,087	1,174,087
Massachusetts	2,498	7,523	10,021	3,000	1,000	4,000
Michigan	3,671,589	146,033	3,817,622	2,746,000	137,358	2,883,358
Minnesota	4,296,104	297,386	4,593,490	3,620,000	78,087	3,698,087
Mississippi	163,632	64,663	228,295	164,000	16,780	180,780
Missouri	20,423,614	663,492	21,087,106	17,519,000	356,566	17,875,566
Montana	7,190,877	404,223	7,595,100	6,295,000	301,058	6,596,058
Nebraska	5,425,495	465,977	5,891,472	4,837,000	310,466	5,147,466
Nevada	145,224	8,866	154,090	135,000	10,349	145,349
New Hampshire	-	1,467	1,467	-	-	-
New Jersey	88,599	8,943	97,542	81,000	4,704	85,704
New Mexico	795,154	100,706	895,860	452,000	149,588	601,588
New York	381,633	77,347	458,980	64,000	5,645	69,645
North Carolina	600,034	38,575	638,609	589,000	12,230	601,230
North Dakota	4,257,412	340,156	4,597,568	4,203,000	172,168	4,375,168
Ohio	10,291,927	762,170	11,054,097	6,583,000	253,077	6,836,077
Oklahoma	1,874,958	277,352	2,152,310	1,166,000	143,003	1,309,003
Oregon	18,646,049	773,244	19,419,293	14,067,000	416,778	14,483,778
Pennsylvania	375,768	141,368	517,136	180,000	28,224	208,224
Rhode Island	4,627	2,634	7,261	5,000	1,000	6,000
South Carolina	1,167,452	137,142	1,304,594	884,000	47,981	931,981
South Dakota	576,520	91,695	668,215	573,000	31,047	604,047
Tennessee	199,798	45,963	245,761	200,000	13,171	213,171
Texas	930,531	107,100	1,037,631	823,000	79,028	902,028
Utah	1,923,555	57,076	1,980,631	1,924,000	68,679	1,992,679
Vermont	9,813	6,113	15,926	10,000	1,000	11,000
Virginia	167,121	49,511	216,632	167,000	16,935	183,935
Washington	4,681,726	152,648	4,834,374	3,944,000	103,489	4,047,489
West Virginia	149,972	37,993	187,965	148,000	15,994	163,994
Wisconsin	3,169,181	365,171	3,534,352	1,407,000	87,495	1,494,495
Wyoming	1,171,014	152,026	1,323,040	1,155,000	170,286	1,325,286
Puerto Rico	3,946	-	3,946	3,000	-	3,000
Total	147,530,648	9,526,079	157,056,727	116,915,000	4,802,845	121,717,845

Conservation Stewardship Program (CStP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$6,601,333	$1,091,162	$7,692,495	$6,429,847	$664,994	$7,094,841
Alaska	1,475,193	194,877	1,670,070	1,814,981	87,961	1,902,942
Arizona	7,027,993	372,531	7,400,524	6,858,611	561,785	7,420,396
Arkansas	60,363,233	4,133,370	64,496,603	71,543,742	2,989,491	74,533,233
California	8,064,573	947,275	9,011,848	8,155,621	717,398	8,873,019
Colorado	25,459,209	2,635,255	28,094,464	25,991,181	1,986,165	27,977,346
Connecticut	220,561	100,407	320,968	189,742	20,642	210,384
Delaware	1,180,135	96,482	1,276,617	1,244,126	77,968	1,322,094
Florida	2,808,943	555,185	3,364,128	2,847,886	251,082	3,098,968
Georgia	31,110,197	3,827,515	34,937,712	33,680,762	1,801,947	35,482,709
Pacific Islands Area	126,163	203,314	329,477	132,880	22,523	155,403
Idaho	6,533,339	491,332	7,024,671	7,652,488	720,052	8,372,540
Illinois	21,002,344	2,026,152	23,028,496	26,244,301	2,075,927	28,320,228
Indiana	7,915,349	672,368	8,587,717	8,568,409	513,150	9,081,559
Iowa	42,952,361	3,204,420	46,156,781	45,161,071	3,113,901	48,274,972
Kansas	47,216,610	2,333,594	49,550,204	49,606,933	2,797,940	52,404,873
Kentucky	3,401,769	577,636	3,979,405	3,400,105	320,704	3,720,809
Louisiana	21,935,422	1,689,791	23,625,213	25,751,487	1,394,708	27,146,195
Maine	703,176	140,244	843,420	753,935	117,934	871,869
Maryland	1,137,211	127,802	1,265,013	1,120,173	71,371	1,191,544
Massachusetts	70,917	116,747	187,664	70,588	12,482	83,070
Michigan	8,266,969	1,587,271	9,854,240	8,258,775	759,792	9,018,567
Minnesota	68,373,829	5,231,956	73,605,785	74,667,923	4,047,733	78,715,656
Mississippi	21,682,789	949,044	22,631,833	24,315,402	1,003,859	25,319,261
Missouri	28,765,033	3,569,403	32,334,436	29,951,736	2,892,559	32,844,295
Montana	36,107,035	3,124,040	39,231,075	37,709,699	2,936,610	40,646,309
Nebraska	50,947,852	3,374,078	54,321,930	55,657,292	4,410,936	60,068,228
Nevada	1,082,191	130,970	1,213,161	990,759	101,792	1,092,551
New Hampshire	157,026	124,975	282,001	165,192	56,291	221,483
New Jersey	289,935	89,819	379,754	276,157	29,228	305,385
New Mexico	19,601,073	2,837,081	22,438,154	23,625,561	3,273,382	26,898,943
New York	5,373,033	540,622	5,913,655	5,813,051	429,838	6,242,889
North Carolina	3,095,736	535,470	3,631,206	3,060,489	344,256	3,404,745
North Dakota	58,586,926	2,522,727	61,109,653	67,561,297	3,326,738	70,888,035
Ohio	5,273,470	794,498	6,067,968	6,143,530	546,355	6,689,885
Oklahoma	47,195,912	3,067,775	50,263,687	52,044,002	4,229,518	56,273,520
Oregon	14,932,475	1,047,579	15,980,054	16,714,056	1,350,702	18,064,758
Pennsylvania	6,833,460	850,480	7,683,940	6,758,447	668,897	7,427,344
Rhode Island	63,286	110,623	173,909	68,644	27,730	96,374
South Carolina	5,329,067	612,249	5,941,316	5,361,181	650,657	6,011,838

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
South Dakota	47,085,527	3,531,253	50,616,780	57,342,807	4,013,372	61,356,179
Tennessee	4,493,147	687,437	5,180,584	4,445,350	584,088	5,029,438
Texas	31,051,029	4,927,154	35,978,183	33,724,550	3,571,927	37,296,477
Utah	4,455,184	557,003	5,012,187	4,866,353	712,860	5,579,213
Vermont	48,103	80,162	128,265	54,969	12,876	67,845
Virginia	6,313,295	878,213	7,191,508	6,345,664	448,432	6,794,096
Washington	16,658,818	673,361	17,332,179	17,938,767	989,184	18,927,951
West Virginia	1,956,250	392,966	2,349,216	2,132,231	636,053	2,768,284
Wisconsin	15,518,644	1,650,887	17,169,531	17,102,213	2,142,579	19,244,792
Wyoming	8,676,689	1,048,425	9,725,114	8,388,671	877,291	9,265,962
Puerto Rico	16,590	79,071	95,661	17,000	4,340	21,340
Total	815,536,404	71,144,051	886,680,455	898,720,637	65,400,000	964,120,637

Environmental Quality Incentive Program (EQIP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$14,068,958	$5,891,629	$19,960,587	$12,814,274	$3,910,710	$16,724,984
Alaska	2,467,845	2,442,064	4,909,909	4,263,730	1,922,976	6,186,706
Arizona	8,966,130	5,498,739	14,464,869	7,502,083	3,509,771	11,011,854
Arkansas	64,729,268	7,974,405	72,703,673	47,196,540	7,178,163	54,374,703
California	81,730,884	15,296,859	97,027,743	76,398,180	13,462,460	89,860,640
Colorado	32,997,386	11,472,768	44,470,154	30,559,646	8,767,369	39,327,015
Connecticut	3,817,330	2,336,746	6,154,076	2,874,031	1,793,666	4,667,697
Delaware	5,426,761	1,664,910	7,091,671	5,348,362	1,450,740	6,799,102
Florida	10,185,948	6,140,912	16,326,860	13,413,739	4,629,199	18,042,938
Georgia	28,710,626	6,294,234	35,004,860	21,904,818	5,718,297	27,623,115
Pacific Islands Area	6,074,374	3,731,218	9,805,592	4,513,901	2,039,107	6,553,008
Idaho	18,477,172	5,049,130	23,526,302	11,395,799	3,716,395	15,112,194
Illinois	12,798,114	4,671,930	17,470,044	11,341,820	3,046,677	14,388,497
Indiana	27,980,703	4,904,338	32,885,041	15,593,401	4,013,687	19,607,088
Iowa	27,910,399	7,599,909	35,510,308	24,445,704	6,543,651	30,989,355
Kansas	35,316,252	7,970,736	43,286,988	18,148,289	5,118,903	23,267,192
Kentucky	12,621,882	5,295,694	17,917,576	10,295,862	4,055,149	14,351,011
Louisiana	19,055,323	6,186,764	25,242,087	15,918,235	3,875,441	19,793,676
Maine	10,274,657	4,113,299	14,387,956	10,296,719	2,817,762	13,114,481
Maryland	7,196,320	2,504,320	9,700,640	11,474,347	2,295,579	13,769,926
Massachusetts	1,848,183	2,050,959	3,899,142	2,608,067	1,243,144	3,851,211
Michigan	14,598,940	4,843,983	19,442,923	14,066,817	3,888,674	17,955,491
Minnesota	24,157,112	10,089,695	34,246,807	22,301,531	6,541,544	28,843,075
Mississippi	37,107,504	5,856,990	42,964,494	24,736,445	4,794,922	29,531,367

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Missouri	31,815,685	10,694,131	42,509,816	22,482,197	6,816,177	29,298,374
Montana	12,828,612	8,441,755	21,270,367	13,833,117	5,882,408	19,715,525
Nebraska	29,924,018	8,230,726	38,154,744	25,781,169	5,971,890	31,753,059
Nevada	7,149,847	2,575,687	9,725,534	6,913,644	2,146,797	9,060,441
New Hampshire	3,854,835	1,839,135	5,693,970	3,209,385	1,420,604	4,629,989
New Jersey	3,906,197	2,036,194	5,942,391	3,184,723	1,469,048	4,653,771
New Mexico	23,912,384	6,938,088	30,850,472	19,758,573	5,062,736	24,821,309
New York	8,833,273	4,810,074	13,643,347	11,395,049	3,514,620	14,909,669
North Carolina	21,603,465	6,104,971	27,708,436	16,590,067	4,314,935	20,905,002
North Dakota	18,437,480	5,034,999	23,472,479	18,334,968	4,256,876	22,591,844
Ohio	14,068,438	4,634,379	18,702,817	12,303,938	3,971,876	16,275,814
Oklahoma	18,109,778	7,620,459	25,730,237	19,030,346	6,292,748	25,323,094
Oregon	14,207,098	3,933,651	18,140,749	11,811,958	3,020,958	14,832,916
Pennsylvania	21,449,980	7,538,318	28,988,298	21,874,501	6,818,246	28,692,747
Rhode Island	2,444,888	1,234,350	3,679,238	2,615,376	1,047,267	3,662,643
South Carolina	17,172,247	2,920,414	20,092,661	12,073,086	2,696,343	14,769,429
South Dakota	13,340,519	5,112,772	18,453,291	15,900,596	4,414,155	20,314,751
Tennessee	24,415,185	5,702,988	30,118,173	17,245,331	4,412,786	21,658,117
Texas	91,695,163	27,397,333	119,092,496	78,457,658	19,358,100	97,815,758
Utah	16,464,839	8,404,172	24,869,011	20,551,317	6,477,567	27,028,884
Vermont	9,528,878	2,816,964	12,345,842	5,604,002	1,761,463	7,365,465
Virginia	16,444,399	5,868,652	22,313,051	17,901,425	4,517,209	22,418,634
Washington	13,542,553	4,756,893	18,299,446	12,086,762	3,550,685	15,637,447
West Virginia	9,509,133	5,151,453	14,660,586	7,736,188	3,903,371	11,639,559
Wisconsin	28,634,898	6,190,638	34,825,536	19,927,143	5,407,610	25,334,753
Wyoming	12,924,389	5,391,017	18,315,406	14,275,969	4,179,259	18,455,228
Puerto Rico	3,991,782	2,303,916	6,295,698	3,934,222	2,148,851	6,083,073
Total	998,728,034	303,566,360	1,302,294,394	854,225,050	231,168,571	1,085,393,621

Farm and Ranchland Protection Program (FRPP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$150,000	$90,434	$240,434	-	$5,584	$5,584
Alaska	-	94,051	94,051	-	117	117
Arizona	-	29,892	29,892	-	6,602	6,602
California	4,296,221	226,733	4,522,954	$2,950	67,294	70,244
Colorado	16,103,589	296,617	16,400,206	9,750	129,378	139,128
Connecticut	4,796,221	358,727	5,154,948	4,100	49,557	53,657
Delaware	4,337,190	107,886	4,445,076	12,600	31,251	43,851
Florida	2,914,298	69,076	2,983,374	-	11,407	11,407

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Georgia	2,000	6,337	8,337	-	-	-
Pacific Islands Area	-	126,701	126,701	-	15,005	15,005
Idaho	1,576,093	79,411	1,655,504	-	14,796	14,796
Illinois	386,660	48,992	435,652	-	2,962	2,962
Kansas	1,809,450	65,239	1,874,689	-	10,152	10,152
Kentucky	2,009,773	148,439	2,158,212	4,690	62,928	67,618
Maine	1,331,093	27,235	1,358,328	1,790	7,655	9,445
Maryland	15,564	97,690	113,254	-	16,545	16,545
Massachusetts	8,725,843	456,982	9,182,825	13,275	45,992	59,267
Michigan	2,601,982	120,019	2,722,001	850	23,481	24,331
Minnesota	1,288,866	182,601	1,471,467	750	11,117	11,867
Mississippi	-	6,370	6,370	-	-	-
Missouri	42,900	14,500	57,400	-	-	-
Montana	5,049,196	202,352	5,251,548	750	32,888	33,638
Nebraska	963,126	49,842	1,012,968	-	6,599	6,599
Nevada	2,580	82,603	85,183	-	7,633	7,633
New Hampshire	2,663,988	73,194	2,737,182	600	23,260	23,860
New Jersey	7,733,197	229,785	7,962,982	7,820	27,626	35,446
New Mexico	600,000	32,299	632,299	1,560	5,280	6,840
New York	4,280,918	291,294	4,572,212	12,690	64,083	76,773
North Carolina	2,529,575	185,402	2,714,977	5,950	40,552	46,502
Ohio	6,873,953	376,766	7,250,719	38,500	92,641	131,141
Oklahoma	859,244	106,425	965,669	-	27,972	27,972
Oregon	-	22,824	22,824	16,090	6,341	22,431
Pennsylvania	3,490,018	299,269	3,789,287	13,157	27,189	40,346
Rhode Island	4,446,000	195,115	4,641,115	-	27,426	27,426
South Carolina	2,090,210	70,402	2,160,612	1,200	7,204	8,404
Tennessee	1,187,655	60,998	1,248,653	-	5,457	5,457
Texas	4,036,976	90,944	4,127,920	-	23,498	23,498
Utah	525,920	101,521	627,441	-	15,240	15,240
Vermont	4,193,254	240,072	4,433,326	5,790	52,306	58,096
Virginia	1,733,700	147,479	1,881,179	2,790	21,850	24,640
Washington	3,516,000	111,363	3,627,363	850	35,565	36,415
West Virginia	3,168,110	83,553	3,251,663	1,600	119,781	121,381
Wisconsin	1,010,244	106,636	1,116,880	2,175	5,924	8,099
Wyoming	6,035,500	581,433	6,616,933	2,400	184,209	186,609
Total	119,377,107	6,395,503	125,772,610	164,677	1,372,347	1,537,024

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 113-9).

Grassland Reserve Program (GRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$11,339	$41,777	$53,116	-	$589	$589
Alaska	-	40,662	40,662	-	1,158	1,158
Arizona	-	19,482	19,482	$1,561	-	1,561
Arkansas	21,874	53,112	74,986	-	474	474
California	3,000	92,028	95,028	8,216	11,858	20,074
Colorado	19,162	158,521	177,683	2,577	8,108	10,685
Connecticut	36,450	32,588	69,038	901	2,280	3,181
Delaware	5,000	13,314	18,314	-	-	-
Florida	40,000	84,960	124,960	-	3,406	3,406
Georgia	-	4,173	4,173	-	-	-
Pacific Islands Area	56,300	116,272	172,572	-	7,395	7,395
Idaho	39,909	330,553	370,462	55,178	80,578	135,756
Illinois	36,700	90,263	126,963	670	6,229	6,899
Indiana	-	43,889	43,889	-	3,949	3,949
Iowa	6,200	45,971	52,171	-	224	224
Kansas	86,072	125,877	211,949	7,735	13,744	21,479
Kentucky	1,800	29,726	31,526	-	1,099	1,099
Louisiana	-	1,000	1,000	-	-	-
Maine	-	1,000	1,000	-	-	-
Maryland	-	5,866	5,866	-	-	-
Massachusetts	-	43,297	43,297	-	2,372	2,372
Michigan	11,270	19,194	30,464	1,771	-	1,771
Minnesota	9,690	94,410	104,100	-	28,913	28,913
Mississippi	11,910	41,163	53,073	-	4,713	4,713
Missouri	17,700	37,277	54,977	-	-	-
Montana	51,659	123,406	175,065	79,696	4,270	83,966
Nebraska	-	24,728	24,728	-	-	-
Nevada	20,500	263,687	284,187	97,298	4,813	102,111
New Hampshire	-	5,376	5,376	-	-	-
New Jersey	76,200	7,063	83,263	-	-	-
New Mexico	23,000	53,797	76,797	-	3,977	3,977
New York	1,969	24,808	26,777	-	-	-
North Carolina	-	21,214	21,214	-	-	-
North Dakota	-	9,240	9,240	-	-	-
Ohio	-	12,576	12,576	-	-	-
Oklahoma	49,500	68,385	117,885	-	3,391	3,391
Oregon	17,942	57,306	75,248	-	16,497	16,497
Pennsylvania	82,400	28,198	110,598	-	2,673	2,673
Rhode Island	20,000	27,917	47,917	-	951	951
South Carolina	46,000	305,778	351,778	8,500	5,389	13,889

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
South Dakota	43,450	129,247	172,697	72,388	5,591	77,979
Tennessee	4,015	75,770	79,785	-	37,152	37,152
Texas	123,375	684,568	807,943	-	82,877	82,877
Utah	51,245	232,445	283,690	15,000	20,391	35,391
Vermont	2,125	13,817	15,942	-	-	-
Virginia	20,470	53,039	73,509	-	10,003	10,003
Washington	54,150	23,489	77,639	-	260	260
West Virginia	19,000	43,144	62,144	4,218	20,770	24,989
Wisconsin	13,974	91,589	105,563	-	10,118	10,118
Wyoming	12,500	413,079	425,579	6,055	13,595	19,650
Total	1,147,850	4,360,041	5,507,891	361,764	419,807	781,572

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 113-9).

Healthy Forest Reserve Program (HFRP-99) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
California	$107,100	$19,263	$126,363	-	-	-
Georgia	-	3,086	3,086	-	-	-
Indiana	570,000	64,210	634,210	-	-	-
Kentucky	1,068,500	187,320	1,255,820	-	-	-
Michigan	694,960	121,025	815,985	-	-	-
Mississippi	714,000	124,342	838,342	-	-	-
Ohio	8,446	29,632	38,078	-	-	-
Oklahoma	1,542,500	174,927	1,717,427	-	-	-
Oregon	1,681,750	191,810	1,873,560	-	-	-
Pennsylvania	831,060	100,418	931,478	-	-	-
South Carolina	267,750	48,158	315,908	-	-	-
Total	7,486,066	1,064,191	8,550,257	-	-	-

Note: Mandatory funding for program terminated effective February 7, 2104, by the Agricultural Act of 2014 (P.L. 113-79).

Wildlife Habitat Incentive Program (WHIP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$5,028,000	$707,170	$5,735,170	$1,272,790	$387,150	$1,659,940
Alaska	5,476,232	668,113	6,144,345	-	109,933	109,933
Arizona	-	97,825	97,825	-	12,641	12,641
Arkansas	2,528,516	483,600	3,012,116	-	53,635	53,635
California	1,570,000	704,854	2,274,854	-	97,707	97,707
Colorado	200,000	226,287	426,287	-	92,156	92,156
Connecticut	585,000	269,089	854,089	-	84,151	84,151
Delaware	9,400	51,384	60,784	-	6,333	6,333
Florida	583,255	271,053	854,308	1,871	50,856	52,727
Georgia	4,329,804	2,131,106	6,460,910	-	572,328	572,328
Pacific Islands Area	-	119,455	119,455	-	14,258	14,258
Idaho	1,870,157	355,817	2,225,974	-	56,810	56,810
Illinois	-	160,326	160,326	-	16,708	16,708
Indiana	-	202,900	202,900	-	93,729	93,729
Iowa	429,020	144,724	573,744	-	6,486	6,486
Kansas	1,500,000	335,300	1,835,300	-	32,779	32,779
Kentucky	-	159,458	159,458	-	102,180	102,180
Louisiana	482,177	443,951	926,128	-	45,060	45,060
Maine	507,740	226,495	734,235	294,669	92,749	387,418
Maryland	295,000	88,497	383,497	-	23,784	23,784
Massachusetts	160,850	198,065	358,915	50,000	26,242	76,242
Michigan	-	270,682	270,682	-	35,361	35,361
Minnesota	1,250,000	229,867	1,479,867	-	24,067	24,067
Mississippi	1,600,000	311,521	1,911,521	-	143,474	143,474
Missouri	540,000	263,092	803,092	-	17,744	17,744
Montana	455,000	125,705	580,705	-	12,979	12,979
Nebraska	-	260,673	260,673	-	19,599	19,599
Nevada	161,200	61,165	222,365	-	2,058	2,058
New Hampshire	200,000	208,867	408,867	-	36,861	36,861
New Jersey	112,711	303,454	416,165	-	63,508	63,508
New Mexico	674,650	196,085	870,735	-	8,002	8,002
New York	410,355	113,767	524,122	194,564	38,549	233,113
North Carolina	40,000	120,010	160,010	-	8,953	8,953
North Dakota	42,000	195,694	237,694	-	889	889
Ohio	-	82,224	82,224	-	300	300
Oklahoma	-	266,152	266,152	-	16,545	16,545
Oregon	1,024,029	235,340	1,259,369	-	56,200	56,200
Pennsylvania	2,370,200	444,467	2,814,667	-	52,415	52,415
Rhode Island	125,490	217,300	342,790	-	32,026	32,026
South Carolina	178,004	450,755	628,759	-	101,890	101,890
South Dakota	4,375,018	396,270	4,771,288	-	68,421	68,421

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Tennessee	1,345,000	295,102	1,640,102	26,151	132,004	158,155
Texas	7,350,000	1,032,836	8,382,836	251,982	129,195	381,177
Utah	88,717	99,011	187,728	-	9,212	9,212
Vermont	81,744	212,967	294,711	51,865	28,876	80,741
Virginia	25,325	339,493	364,818	-	26,362	26,362
Washington	326,000	270,382	596,382	-	44,348	44,348
West Virginia	736,000	331,967	1,067,967	102,601	209,003	311,604
Wisconsin	30,720	108,307	139,027	-	6,499	6,499
Wyoming	-	322,872	322,872	-	19,999	19,999
Puerto Rico	20,000	3,060	23,060	-	-	-
Total	49,117,314	15,814,556	64,931,870	2,246,493	3,323,014	5,569,507

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Wetlands Reserve Program (WRP) Allocations
FY 2013(as of September 30, 2013) and FY 2014 (as of May 9, 2014)
Source: Financial Management Modernization Initiative (FMMI)

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Alabama	$2,972,499	$850,111	$3,822,610	$362,479	$152,844	$515,323
Alaska	-	43,666	43,666	-	-	-
Arizona	-	83,950	83,950	-	-	-
Arkansas	24,500,000	2,924,641	27,424,641	-	284,829	284,829
California	16,364,000	2,367,307	18,731,307	43,655	512,150	555,805
Colorado	617,571	304,082	921,653	16,536	58,811	75,347
Connecticut	-	35,405	35,405	-	1,085	1,085
Delaware	678,348	74,824	753,172	65,958	31,379	97,337
Florida	62,419,743	6,275,771	68,695,514	5,089,700	1,583,885	6,673,585
Georgia	8,750,000	945,595	9,695,595	-	172,926	172,926
Pacific Islands Area	710,500	156,407	866,907	-	34,085	34,085
Idaho	1,670,000	245,876	1,915,876	15,685	54,127	69,812
Illinois	5,340,926	1,219,787	6,560,713	532,737	317,262	849,999
Indiana	4,880,500	1,320,386	6,200,886	16,215	462,219	478,434
Iowa	21,645,838	1,886,419	23,532,257	4,940	465,301	470,241
Kansas	1,359,832	689,688	2,049,520	7,121	132,734	139,854
Kentucky	11,407,321	1,038,460	12,445,781	15,063	190,768	205,830
Louisiana	33,019,917	6,729,022	39,748,939	881,611	331,047	1,212,658
Maine	500,000	59,867	559,867	800	3,526	4,326
Maryland	5,109,000	725,350	5,834,350	10,989	139,185	150,174
Massachusetts	2,845,173	226,112	3,071,285	3,230	23,968	27,198
Michigan	4,342,189	1,176,856	5,519,045	66,104	198,560	264,664
Minnesota	27,370,000	3,369,092	30,739,092	259,320	656,972	916,292
Mississippi	16,221,100	2,310,708	18,531,808	13,741	748,133	761,874
Missouri	11,683,632	2,320,594	14,004,226	9,918	603,909	613,827
Montana	1,987,270	690,957	2,678,227	36,723	104,792	141,515
Nebraska	7,996,351	1,228,966	9,225,317	496,555	325,326	821,880

State	Financial Assistance (2013)	Technical Assistance (2013)	Total (2013)	Financial Assistance (2014)	Technical Assistance (2014)	Total (2014)
Nevada	8,244,761	187,824	8,432,585	9,055	16,102	25,157
New Hampshire	3,958,766	539,667	4,498,433	7,880	92,483	100,363
New Jersey	2,459,677	210,333	2,670,010	3,500	55,093	58,593
New Mexico	88,999	84,852	173,851	6,030	4,578	10,608
New York	5,155,357	1,053,885	6,209,242	83,437	215,837	299,274
North Carolina	7,620,000	1,122,467	8,742,467	15,000	258,236	273,236
North Dakota	8,415,000	2,498,522	10,913,522	334,631	696,887	1,031,518
Ohio	4,880,794	776,375	5,657,169	-	45,325	45,325
Oklahoma	7,699,388	1,174,000	8,873,388	267,747	217,785	485,533
Oregon	3,800,000	1,766,030	5,566,030	-	483,823	483,823
Pennsylvania	7,745,134	736,649	8,481,783	143,154	75,853	219,007
Rhode Island	245,000	40,797	285,797	-	6,415	6,415
South Carolina	2,222,215	883,639	3,105,854	216,161	294,260	510,421
South Dakota	17,726,775	2,343,997	20,070,772	183,723	630,948	814,672
Tennessee	12,972,995	1,589,594	14,562,589	31,429	250,591	282,020
Texas	14,322,237	2,757,203	17,079,440	149,672	643,210	792,881
Utah	1,490,204	132,674	1,622,878	35,718	37,761	73,479
Vermont	347,284	208,526	555,810	5,025	16,390	21,415
Virginia	800,000	179,551	979,551	55,117	16,533	71,650
Washington	3,231,540	412,855	3,644,395	-	81,328	81,328
West Virginia	248,048	90,089	338,137	7,475	22,345	29,820
Wisconsin	5,817,781	813,728	6,631,509	495,325	136,589	631,914
Wyoming	29,800	304,963	334,763	-	91,406	91,406
Puerto Rico	87,115	41,736	128,851	-	-	-
Total	394,000,580	59,249,855	453,250,435	9,999,159	11,979,601	21,978,758

Note: Program repealed effective February 7, 2104, by the Agricultural Act of 2014 (P.L.113-79).

Apportionment Schedule For Mandatory Farm Bill Conservation Programs

Mr. Aderholt: Please provide the apportionment schedule for mandatory farm bill conservation programs for fiscal year 2015.

Response: The information is submitted for the record, which includes two apportionment schedules: one for the no-year account (NRCS-12) and one for the annual account (NRCS-7). In addition, the following table provides a total for all programs across both apportionments.

[The information follows:]

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

FY 2014 Apportionment
Funds provided by Public Law 113-6 and Public Law 113-76

14-AP-NRCS-07

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Agriculture							
		Bureau: Natural Resources Conservation Service							
		Account: Farm Security and Rural Investment Programs (005-53-1004)							
		TAFS: 12-1004 /2014							
IterNo	3	Last Approved Apportionment: 2013-12-20							
RptCat	NO	Reporting Categories							
AdjAut	YES	Adjustment Authority provided							
		Budgetary resources							
1230	SEQ	BA: Mand: New/Unob bal of approps perm reduced	-259,485,192		-540,000		-540,000		
1251		BA: Mand: Appropriations:Antic nonexpend trans net	3,773,821,929		1,095,604,683		1,095,604,683		
1920		**Total budgetary resources avail (disc. and mand.)**	**3,514,336,737**	**B1**	**1,095,064,683**	**B1, B2**	**1,095,064,683**	**B1, B2**	
		Application of Budgetary Resources							
		Category B Projects							
6011		Fourth Quarter	381,196,000						
6012		FY 2014 Wetland Reserve Program (Financial Assistance)	179,887,232	A1	3,432,037		3,432,037		
6013		FY 2014 Farmland Protection Program (Financial Assistance)	139,500,000	A1	106,848		106,848		
6014		FY 2014 Environmental Quality Incentives Program (Financial Assistance	961,715,000		3,705,231		3,705,231		
6015		FY 2014 Wildlife Habitat Incentives Program (Financial Assistance)	32,510,000	A1	194,564		194,564		
6016		FY 2014 Conservation Security Program (Financial Assistance)	116,915,000		115,902,440		115,902,440		
6017		FY 2014 Grasslands Reserve Program (Financial Assistance)	1,168,000	A1	270,257		270,257		
6018		FY 2014 Agricultural Water Enhancement Program (Financial Assistance	44,566,272	A1					
6019		FY 2014 Agricultural Mgmt. Assistance (Financial Assistance)	1,963,000		5,520,672		5,520,672		
6020		FY 2014 Conservation Stewardship Program (Financial Assistance)	998,457,472		775,483,496		775,483,496		
6031		FY 2014 Farm Security and Rural Investment Programs (Technical Assis	636,240,761	A1	190,449,138		190,449,138		
6032		FY 2014 Administrative Expenses: Office of General Counsel Costs	200,000						
6190		**Total budgetary resources available**	**3,514,336,737**		**1,095,064,683**		**1,095,064,683**		

Submitted: David Lippold, Director, Budget Control and Analysis Division Date: April 8, 2014

See Approval info tab for OMB approval information

OMB Approved this apportionment request using the web-based apportionment system

Authoritative Mark

Adrienne Erbach

Mark Affixed By: Adrienne Erbach
for Deputy Associate Director for Natural Resources

Signed On: 2014-04-23 15:39
File Name: 14-AP-NRCS-7.xlsx
Sent By: Darlene Fleming
Sent On: 2014-04-23 17:12

TAF(s) Included: 12-1004 \2014

SF 132 APPORTIONMENT AND REAPPORTIONMENT SCHEDULE

FY 2014 Apportionment
Funds provided by Public Law 113-79

Line No	Line Split	Bureau/ Account Title / Cat B Stub / Line Split	Previous Approved	Prev Footnote	Agency Request	Agency Footnote	OMB Action	OMB Footnote	Memo Obligations
		Department of Agriculture							
		Bureau: Natural Resources Conservation Service							
		Account: Farm Security and Rural Investment Programs (005-53-1004)							
		TAFS: 12-1004 /X							
IterNo	5	Last Approved Apportionment: 2014-04-23							
RptCat	NO	Reporting Categories							
AdjAut	YES	Adjustment Authority provided							
		Budgetary resources							
1000	MA	Mandatory Actual - Unob Bal: Brought forward, October 1	596,329,749		19,711,749		19,711,749		
1204		BA: Mand: Reappropriation			751,116,576	B3	751,116,576	B3	
1230	SEQ	BA: Mand: New/Unob bal of approps perm reduced	-258,945,192		-258,945,192		-258,945,192		
1261		BA: Mand: Appropriations Antic nonexpend trans net	2,321,007,886		2,331,007,886		2,331,007,886		
1840		BA: Mand: Spending auth: Antic colls, reimbs, other			515,000		515,000		
1920		**Total budgetary resources avail (disc. and mand.)**	**2,768,982,443**	B1, B2	**2,846,406,019**	B1, B2	**2,846,406,019**	B1, B2	
		Application of Budgetary Resources							
6004		Category A - 4th quarter	438,064,000		513,962,576		513,962,576		
		Category B Projects							
6011		Chesapeake Bay Watershed Program	12,663,348		12,663,348		12,663,348		
6012		Healthy Forests Reserve Program	7,048,401		7,048,401		7,048,401		
6013		Environmental Quality Incentives Program	1,224,381,337		1,224,381,337		1,224,381,337		
6014		Conservation Security Program	5,495,652		5,495,652		5,495,652		
6015		Conservation Stewardship Program	269,454,914		269,454,914		269,454,914		
6016		Agricultural Conservation Easement Program	366,304,000		366,304,000		366,304,000		
6017		Regional Conservation Partnership Program	95,680,000		95,680,000		95,680,000		
6018		Voluntary Public Access Program	40,000,000		40,000,000		40,000,000		
6019		Conservation Reserve Program	60,746,791		60,746,791		60,746,791		
6020		Wetlands Reserve Program	198,146,000		198,146,000		198,146,000		
6021		Farm and Ranch Lands Protection Program	27,777,000		27,777,000		27,777,000		
6022		Wildlife Habitat Incentives Program	11,500,000		11,500,000		11,500,000		
6023		Grasslands Reserve Program	3,831,000		3,831,000		3,831,000		
6024		Agricultural Water Enhancement Program	7,900,000		7,900,000		7,900,000		
6025		Wetlands Mitigation Banking Program			10,000,000		10,000,000		
6026		Biomass Crop Assistance Program (Reimbursable)			515,000		515,000		
6190		**Total budgetary resources available**	**2,768,982,443**		**2,846,406,019**	A1	**2,846,406,019**	A1	

Submitted ______________________________ Date ______________

See Approval info tab for OMB approval information

OMB Approved this apportionment request using
the web-based apportionment system

Janet Irwin

Mark Affixed By: Janet Irwin
Deputy Associate Director for Natural Resources

Signed On: 2014-07-16 13:19
File Name: 14-AP-NRCS-12.xlsx
Sent By: Darlene Fleming
Sent On: 2014-07-16 13:21

TAF(s) Included: 12-1004 \X

Mr. Aderholt: How much funding was allocated to livestock concerns through the Environmental Quality Incentives Program for fiscal years 2013 (actual) and 2014 (estimated)?

Response: NRCS allocated $600,917,582 in fiscal year 2013 to livestock concerns, 61 percent of the Environmental Quality Incentives Program funding, and estimates that $608,300,000, or 62 percent, will be allocated to livestock concerns in fiscal year 2014. Please see chart below.

[The information follows:]

EQIP Livestock Related Contract Obligations

Fiscal Year	Financial Assistance Allocated for Livestock Concerns	Percent Allocated to Livestock
2013 Actual	$600,917,582	61
2014 Estimated	$608,300,000	62
Data Source ProTracts 10/25/13		

Comprehensive Nutrient Management Plans

Mr. Aderholt: How many comprehensive nutrient management plans has NRCS completed since 2002? How many were completed in fiscal year 2013 and are estimated to be completed in fiscal year 2014?

Response: NRCS has completed approximately 53,107 comprehensive nutrient management plans (CNMPs) since 2002. Of these, 2,051 were completed in 2013. The estimated number of CNMPs to be completed in fiscal year 2014 is 2,400.

EQIP Conservation Practices

Mr. Aderholt: How many new conservation practices were installed or implemented through the Environmental Quality Incentives Program in fiscal years 2008 through 2013?

Response: NRCS provided technical assistance and financial assistance to producers to install or implement 1,031,557 new conservation practices through the Environmental Quality Incentives Program in fiscal years 2008 through 2013. 95

Conservation Innovation Grants

Mr. Aderholt: Please provide a list of the Conservation Innovation Grants awarded in fiscal year 2013. Please include information on the recipient, State where the recipient is located, and amount of the award.

Response: In FY 2013, NRCS awarded 46 projects for $18.4 million. Recipients provided $18.7 million in nonfederal funding to the projects. The table below lists recipients, States where the recipient is located, the amount of the award, non-federal funding provided, and project description:

[The information follows:]

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
American Rivers	The Central Valley Exchange: A Market-based Approach to Integrate Agriculture and Habitat	$561,438	$561,438	NV	CA	This project proposes to develop a nationally replicable ecosystem services market for the Central Valley of California that enables farmers and ranchers to profit from floodplain restoration while continuing agricultural production.
Arkansas Land and Farm Development Corporation	Outreach to Underserved Farmers and Landowners in Arkansas	453,570	453,570	AR	AR	The purpose of this program is to assist limited resource and socially disadvantaged landowners on 300 farms covering 48 counties with developing and adopting plans to conserve soil and water resources and to reduce, control, and trap nutrient runoff.
Bat Conservation International, Inc.	Connecting Farmers & Ranchers to Innovative Technology in Bat Conservation	139,495	140,537	TX	CA, NV, CO, AZ, NM, TX, OK, AR	This project proposes to reach out to agricultural producers in eight targeted states with a collection of sound, tested, innovative bat conservation Best Practices for wind energy development, biofuel crop production, mine/well closures, wildlife habitat monitoring, water for wildlife, and integrated pest management.
Cape Atlantic Soil Conservation District	Expanding Pollinator Species Habitat Sites Utilizing Compost Filter Socks	91,705	91,705	NJ	NJ	This project proposes to expand or enhance pollinator species habitat areas by taking the technology of establishing a grass cover with vegetated compost filter socks and using it to establish pollinator habitat areas with native wildflowers.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Clemson University	Demonstration of Innovative Water Conservation Technologies to Enhance Resilience to Drought While Optimizing Farm Profits	367,879	368,385	SC	SC	This demonstration project proposes to assist row crop, fruit, and vegetable farmers to adopt innovative and proven water conservation technologies to enhance resilience to drought and increase farm profits.
Colorado State University	Decision Support Tools and Innovative Soil and Water Management Strategies to Adapt Semi-arid Irrigated Cropping Systems to Drought	882,924	882,924	CO	CO	This project proposes to demonstrate synergistic soil, crop and water management practices that adapt to irrigated cropping systems in the central Great Plains for drought and lead to efficient use of water. An existing model will be modified to allow farmers to calculate water savings from different conservation practices.
Colorado State University	The 4R Nutrient Stewardship with Proven Techniques and Technologies to Enhance Nutrient Use Efficiency, Productivity and Environmental Sustainability	326,710	326,714	CO	CO, NE, OK	This project proposes to demonstrate, educate and empower producers to achieve the 4R nutrient stewardship using thoroughly tested, evaluated and proven techniques of quantifying and managing variability in soil and crop properties in the Western Great Plains region, enhancing nutrient use efficiency, conserving water quality, and improving sustainability, productivity and profitability of irrigated crop production systems.
Conservation Technology Information Center	Economic, agronomic and environmental benefits of cover crops for new and established users	482,000	482,000	IN	IA, IL, IN, MI, OH, MN, SD	This project proposes to work with farmers in the Midwest to examine and share the economic, agronomic and environmental benefits of cover crops, a key component of soil health management systems.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Cornell University	Managing Subsurface Drain Discharge Effluents with Bioreactors	530,043	531,548	NY	NY	This project proposes to demonstrate and optimize bioreactor effectiveness and efficiency for reducing nitrogen and phosphorus loss from tile drains on fields receiving manure.
Dogwood Alliance, Inc	Carbon Canopy Project of Dogwood Alliance	45,000	46,550	NC	WV	This project proposes to pilot the planning, development and sale of forest carbon offsets using the California Global Warming Solution Act Cap and Trade system from approximately 2,000 acres in West Virginia.
Eastern Nevada Landscape Coalition	Nevada Biochar Field Demonstration Trials: Treatment Within Agricultural Pivots and Rehabilitation of Pivot Corners	77,364	77,364	NV	NV	This project proposes to demonstrate the benefits of converting invasive species into a beneficial product (biochar), and using that product to enhance environmental quality by increasing water availability and productivity, even during drought years.
Environmental Defense Fund, Inc	The Watershed Approach: Demonstration of the Effectiveness of a Systemic and Strategic Approach to Nutrient Management in Priority HUC-12 Watersheds	654,837	655,414	NY	IN, IA, MN	This project proposes to document and demonstrate how NRCS and other conservation partners can design and implement an effective and efficient systems approach to agricultural conservation and water quality improvement.
Flint River Soil and Water Conservation District	Mobilizing Access to Low-cost Irrigation Scheduling Technology and Tools in the Lower Flint River Basin of Georgia	725,000	725,000	GA	GA	This project proposes to develop and deploy a new low–cost tool to assist up to 50 agricultural producers in optimizing irrigation scheduling, and build a conservation model for the future of agricultural water use in the United States, designed to conserve water, preserve life, and enhance food security.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Heidelberg University	Verification and Enhancement of NRCS-USDA Nutrient Tracking Tool with a Suite of Best Management Practices (BMPs).	591,655	591,655	OH	OH	This project proposes to improve soil health and reduce nutrient and sediment exports from agricultural farms by using edge-of-field studies of best management practices to calibrate and verify existing tools that estimate farm yield and nutrient loss.
Inter Tribal Buffalo Council	Native Capacity Building to Address Effective Drought Management	639,735	639,735	SD	SD, WY, ND, MN, IA, KS, NE, OK, WI, AK, WA, OR, ID, MT, UT, CA, CO, NM, AZ	This project proposes to evaluate how traditional/historical practices aided tribes in dealing with drought, develop a best practices database, and use that information for training and demonstration projects. This project will involve 57 tribes in 19 states.
Iowa State University of Science and Technology	Demonstrating Cover Crop Mixtures on Iowa Farmland: Management, Soil Health, and Water Quality Benefits	485,850	485,850	IA	IA	This project proposes to demonstrate and evaluate cover crop mixtures using emerging technologies and implement 15 demonstration sites throughout Iowa to help farmers achieve concurrent goals of a healthy ecosystem and maintaining top-end cash grain crop yields and profitability.
Michigan State University	Drought Reduction and Water Conservation by Increasing Water Retention in the Root Zone	465,949	465,949	MI	MI, MO, AZ	This project proposes to use new long-term technologies combined with improved water and nutrient prescription-based best management practices to convert marginal soils into sustainable crop production on lands where water requirements currently approach 10 to 20 acre inches during the growing season.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Mississippi State University	Demonstrating and enhancing risk assessment tools to determine efficiency and cost-effectiveness of innovative nutrient reduction strategies in the Mississippi Delta.	120,530	120,762	MS	MS	This project proposes to test and validate existing risk assessment tools and newly developed components of risk assessment tools, to demonstrate their accuracy in assessing the magnitude, extent and risk of soil and nutrient losses, and their utility for facilitating decision support for water quality and quantity improvement and cost-effectiveness of conservation practices at the field and watershed scales in the Mississippi Delta.
Mississippi State University	Drought Mitigation for Beef Cattle Producers Using Native Grasses in Grazing Systems and as Alternative Feedstocks for Confined Feeding	400,153	400,153	MS	MS	This project proposes to demonstrate the drought mitigating benefits of incorporating native grasses into grazing systems and confined feeding operations for beef cattle and to provide producers with real world information in a local context which is imperative for ultimate producer adoption of these practices.
National Fish and Wildlife Foundation	SAM Initiative: Achieving Subsurface Application of Manures in the Chesapeake Bay Basin	821,384	821,938	DC	MD, PA, NY, DE, VA	This project proposes to demonstrate and expand the use of manure injection technology in the Chesapeake Bay watershed, which can significantly reduce nutrient losses from animal agriculture production systems.
National Network of Forest Practitioners	Peer-Based Outreach to Underserved Landowners in the Black Belt for Longleaf Restoration and Prescribed Fire	399,200	401,100	OH	MS, AL, GA	This project proposes to utilize community-based outreach in 16 workshops to engage underserved landowners with Longleaf Pine restoration and management, including utilization of controlled burning.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
North Carolina Foundation for Soil and Water Conservation, Inc.	Determine Certainty Program Framework of a Market Based Conservation Initiative for Longleaf Pine Habitat Improvements in Eastern North Carolina	207,267	207,267	NC	NC	This project proposes to create an innovative landscape scale, market-based approach to engaging landowners to adapt management practices that foster habitat with a direct benefit to multiple endangered, threatened, and game species across the longleaf pine ecosystem in North Carolina.
North Carolina State University	Refining Nitrogen Rates for Corn in North Carolina (NC) using Producer-based Tools: Adapt-N and Yield Database,	450,750	450,750	NC	NC	This project proposes to pool corn-yield and nitrogen-rate recommendation information in order to provide a robust data set for the South, comparable to that already developed for the Midwest.
Oklahoma Black Historical Research Project, Inc.	Solar water pump system (wells)	600,000	600,000	OK	OK	This project proposes to enhance Native American and Socially Disadvantaged Farmers' and Ranchers' access to USDA programs; and to improve Native American and Socially Disadvantaged Farmers' and Ranchers' agricultural production capacity, drought resilience, and sustainability.
Pacific Gateway Center	Sustainable Solar for Beginning Farmers (SSBF) with Limited Resources	170,312	178,384	HI	HI	This project proposes to provide education and training on solar panel installation on storage containers to power essential lighting for predawn hours access, sufficient power for a drip irrigation monitoring system, and access to on site refrigeration to enhance product competitiveness and reduce post-harvest crop losses.
Pheasants Forever, Inc.	Integrating Pollinators into Bioenergy Crops	631,218	830,000	MN	MD, VA	This project proposes to explore and demonstrate ways to integrate pollinator habitat into production systems used for bioenergy crops.

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Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Purdue University	Soil Quality: Using cover crops to improve soil health and moisture retention	165,353	165,368	IN	IN	This project proposes to demonstrate to producers how innovative cropping systems (no-till systems which include cover crops in rotation) used on Midwest glacial till soils can increase resiliency to drought via improved soil health a result of carbon retention.
South Dakota State University	Precision Techniques for Improved Drought Resilience	713,019	713,019	SD	SD, NE	This project proposes to establish four grazing management demonstrations on South Dakota and Nebraska ranches. Producers can observe and demonstrate the impacts of innovative grazing management practices on their land's ability to recover from the drought of 2012 and spring or summer drought through the use of rainout shelters. This project represents a unique opportunity to demonstrate the effects of drought resilience on grazing lands managed using innovative grazing strategies compared with traditional management in the central and northern Great Plains. In this region, loss of species diversity through grazing mismanagement has resulted in less productive plant communities and a loss in grazing land resilience to drought. Progressive ranchers, prepared for drought, have adopted grazing practices that have increased plant diversity (cool- and warm-season forage species) and yield while maintaining herd numbers. These factors have protected them from huge economic losses due to rising supplemental feed costs during drought and restocking costs after drought. The objectives of this project are to (1) establish four grazing management demonstrations on South Dakota and Nebraska ranches where producers can observe and demonstrate the impacts of innovative grazing management practices on their land's ability to recover from the drought of 2012 and imposed spring or summer drought through use of

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
						rainout shelters; (2) demonstrate the impacts of innovative grazing management practices on ranch economics and decision-making capacity; (3) improve grazing managers' understanding of innovative grazing practices; (4) identify adoption barriers, particularly related to managers' ability and knowledge, and operational constraints, as well as external barriers; and (5) develop educational tools that will help ranchers implement improved practices.
Texas A&M AgriLife Research	The Impacts of Soil Health Management Systems Including Residue Management, Cover Crops, Diverse Crop Rotation, and Increased Soil Microbiology and their Relationships with Nutrient Cycling, Soil Water Availability, and Plant Growth	275,108	291,971	TX	TX, OK	This project proposes to quantify and demonstrate that managing for soil health using Soil Health Management Systems including residue management, crop diversity, cover crops and integration of livestock increases soil biological activity, soil organic matter, nutrient cycling, and increased production in sub-tropical, semi-arid regions of Texas and Oklahoma.
Texas AgriLife Research	Developing Irrigation Management Strategies under Drought Conditions in Texas	232,552	260,006	TX	TX	This project proposes to develop agronomic and irrigation strategies to manage drought conditions in irrigated agriculture, and grazed land.
The Curators of the University of Missouri	Using Precision Planting Techniques with Selected Cover Crops in Corn and Soybeans Planted in Three Tillage Production Systems	98,737	109,548	MO	MO	This project proposes to demonstrate the potential for cover crops to produce crop residue to maximize conservation tillage benefits.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
The Curators of the University of Missouri	Building Drought Resiliency through Improved Soil Health	267,783	267,915	MO	MO	The project proposes to enhance farmer understanding of the effects of management practices on soil health, available soil water capacity and water infiltration through presentations and demonstrations of the effects of improved soil health on drought mitigation for agricultural crops and livestock.
The Nature Conservancy	Demonstrating the efficacy of floodplain restorations identified as optimal for enhancing hydrology and improving water quality in the Chesapeake Bay watershed.	184,560	185,495	MD	MD	This project proposes to quantify the benefits of strategically placed wetland and floodplain restorations and provide decision support tools for implementing the most cost-effective practices to improve flood protection, water quality, and wildlife habitat benefits while maximizing crop production.
The Nature Conservancy	Sage-Grouse Conservation: Linking Practices to Habitat Metrics	324,851	411,158	OR	OR, NV, ID	This project proposes to develop new tools for land managers to more effectively and efficiently conserve and restore sagebrush habitat in the Interior West by merging and refining existing models linked to important ecological sites; reviewing and summarizing existing literature about the effectiveness and benefits of key conservation practices for sage-steppe ecosystems and sage-grouse habitat; and incorporating findings into existing models.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
The University of Tennessee	Long-Term Impacts of Cover Crops, Crop Rotations, and Conservation Tillage Systems on Soil Properties, Nutrient Cycling, Soil Water Availability, and Crop Productivity	634,107	634,107	TN	TN	This project proposes to quantify and demonstrate the long-term impacts of cover crops, crop rotations and no-till farming systems on soil health and crop productivity.
The University of Tennessee	Deficit Irrigation of Row Crops Provides Drought Mitigation, Environmental Protection, and Optimized Yield in Humid Regions	284,718	284,718	TN	TN	This project proposes to promote deficit irrigation for humid regions as a means to apply less water for drought mitigation, to optimize yield by better utilization of rainfall and to improve the sustainability of row crop production.
The University of Tennessee	Coping with drought in beef cattle production: Long-term inovation through optimal warm-season forage systems	398,714	398,714	TN	TN, AR, KY	This project proposes to deliver a comprehensive and transformative approach to forage production to growers across a multi-state region that will make a substantial impact on their ability to respond to droughts over the long-term.
The University of Vermont and State Agriculture College	Developing Drought Resilient Pasture Based Forage Strategies that Promote Productivity and Protection of Natural Resources	88,429	94,017	VT	VT	This project proposes to determine the feasibility and productivity of low cost inline pod irrigation systems and implementation of warm season annuals to alleviate or overcome drought stress with the goal of improving resiliency of New England pastures to drought conditions.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
U. S. Endowment for Forestry and Communities	Demonstrating Transferable Sustainable Forestry Technologies, Outreach, Landowner Support Systems, Capital, and Market Access to Conserve Land for Socially Disadvantaged and Limited Resource Landowners in the Southeast	700,000	700,000	SC	SC, AL, NC	This project proposes to demonstrate sustainable forestry technologies and create a support system and market access for historically underserved landowners in South Carolina, North Carolina and Alabama.
U. S. Endowment for Forestry and Communities	Assessing CIG Source Water Protection in Forested Watersheds: Synthesizing Lessons Learned to Improve the Effectiveness of Future Projects	100,000	100,000	SC	US	This project proposes a cutting-edge comparative analysis of NRCS CIG-funded and other incentive-based programs for source water protection in forested watersheds in the United States that will enhance the success of future efforts, saving time and money and accelerating conservation outcomes.
University of Florida Board of Trustees	SmartIrrigation Apps for Drought Adaptation in Irrigation Scheduling	442,003	448,250	FL	FL, GA	This project proposes to address adaptation to drought by demonstrating and evaluating innovative approaches for improving irrigation water use efficiency of agricultural crops under drought conditions.
University of Georgia	Improving Nutrient Management by Beginning Farmers by Predicting Nitrogen Release from Cover Crops	132,764	132,764	GA	GA	This project proposes to demonstrate the effectiveness of a new tool (MinImob) for managing nitrogen from cover crops and transfer information about MinImob using factsheets, six field days, workshops, newsletters, and websites.

FISCAL YEAR 2013 CIG REPORT

Recipient	Project Title	Federal Funds	Non-Federal Funds	Recipient Location	Project Area	Purpose
Virginia Polytechnic Institute and State University	Decreasing nitrogen and phosphorus in drainage waters using a comprehensive drainage management approach	748,648	748,648	VA	DE, VA, MD	This project proposes to integrate field and drainage management practices to develop, demonstrate and test a comprehensive approach to drainage management that can be readily adopted by producers on the Coastal Plain of the Chesapeake Bay watershed.
Wes-Mon-Ty RC&D	Historically Underserved Specialty Crop Farmer Demonstration of Scale Appropriate Winter Cover Crop Rotling/crimping Technologies for Improved Soil Health	48,728	48,728	WV	WV	This project proposes to demonstrate and expand the use of low-cost cover crop crimpers for help create a cover crop demonstration farm for historically underserved, small-scale specialty crop landowners in West Virginia.
White River Irrigation District	Adopting Emerging Conservation Practices for Rice Production in the Mississippi River Basin Rice growing region.	663,500	663,500	AR	AR, MO, MS, LA	This project proposes to implement alternative rice-growing practices in the lower Mississippi Valley rice growing region and develop an analysis tool that assesses rice production practice options and economic risks.
Women, Food and Agriculture Network	Women Caring for the Land: Engaging Midwest Women Farmland Owners in Improving Conservation and Soil Health	525,043	525,732	IA	IA, NE, MN, WI, IL, IN, MO	This project proposes to improve soil health in the upper Midwest by increasing soil health literacy among area women farmland owners, and supporting them in working with their tenants to improve soil health across seven states.

Mr. Aderholt: Please provide a list of the Cooperative Conservation Partnership Initiative grants awarded in fiscal year 2013. Please include information on the recipient, State where the recipient is located and amount of the award.

Response: NRCS did not award any partnership grants in Fiscal Year 2013.

Mr. Aderholt: For the Conservation Security Program, please provide the total number of existing contracts, including the funding associated with them, their location (State), the number of years remaining on the contracts and the total estimated payments.

Response: The total number of existing contracts, including the funding associated with them, their location (State), the number of years remaining on the contracts and the total estimated payments are identified in the table below.

[The information follows:]

Conservation Security Program Existing Contracts for FY 2013 to FY 2017

State	2013		2014		2015		2016		2017		Total Number of Contracts	Total Dollars Obligated
	No.	Dollars Obligated	No.	Dollars Obligated	No.	. Dollars Obligated	No.	Dollars Obligated	No.	Dollars Obligated		
Alabama	-	-	1	$261,880	38	$5,607,962	-	-	-	-	39	$5,869,842
Alaska	-	-	-	-	4	136,227	-	-	-	-	4	136,227
Arizona	-	-	-	-	2	538,714	-	-	-	-	2	538,714
Arkansas	-	-	35	4,777,393	51	5,402,705	1	$161,681	-	-	87	10,341,779
California	-	-	3	493,190	47	4,179,233	38	3,980,746	-	-	88	8,653,169
Colorado	-	-	1	89,096	126	14,473,341	-	-	-	-	127	14,562,437
Connecticut	-	-	-	-	9	247,581	-	-	-	-	9	247,581
Delaware	-	-	2	53,682	16	2,381,028	-	-	-	-	18	2,434,710
Georgia	-	-	1	448,786	53	5,729,868	-	-	2	$131,488	56	6,310,142
Hawaii	-	-	-	-	5	693,214	-	-	-	-	5	693,214
Idaho	-	-	-	-	181	33,726,203	1	305,248	-	-	182	34,031,451
Illinois	-	-	-	-	38	3,220,335	-	-	1	77,523	39	3,297,858
Indiana	-	-	1	70,525	50	3,424,984	-	-	2	39,360	53	3,534,869
Iowa	-	-	5	577,914	94	6,088,416	-	-	6	261,801	105	6,928,131
Kansas	-	-	17	3,018,115	33	2,747,566	-	-	1	40,376	51	5,806,057
Kentucky	-	-	-	-	19	832,543	1	115,765	-	-	20	948,308
Louisiana	-	-	-	-	-	-	-	-	3	90,537	3	90,537
Maine	-	-	-	-	25	1,225,021	-	-	-	-	25	1,225,021
Maryland	-	-	1	247,299	103	8,388,669	-	-	6	250,861	110	8,886,829
Massachusetts	-	-	-	-	-	-	-	-	3	14,544	3	14,544
Michigan	-	-	18	1,952,022	102	9,474,571	-	-	3	255,339	123	11,681,932
Minnesota	-	-	-	-	14	1,269,266	1	80,527	-	-	15	1,349,793
Mississippi	-	-	1	17,666	19	1,331,565	-	-	-	-	20	1,349,231
Missouri	-	-	25	6,099,004	264	19,712,199	-	-	7	212,648	296	26,023,851
Montana	-	-	2	579,756	49	9,073,489	-	-	3	777,371	54	10,430,616
Nebraska	-	-	2	491,908	357	35,397,389	5	558,011	47	4,860,147	411	41,307,455
Nevada	-	-	-	-	2	259,426	-	-	-	-	2	259,426

State	2013		2014		2015		2016		2017		Total Number of Contracts	Total Dollars Obligated
	No.	Dollars Obligated	No.	Dollars Obligated	No.	Dollars Obligated	No.	Dollars Obligated	No.	Dollars Obligated		
New Jersey	-	-	-	-	11	807,896	-	-	-	-	11	807,896
New York	-	-	1	17,627	2	139,461	-	-	1	72,206	4	229,294
North Carolina	-	-	1	20,648	1	84,379	-	-	-	-	2	105,027
North Dakota	-	-	3	613,448	73	14,427,149	-	-	6	1,109,428	82	16,150,025
Ohio	3	$639,861	3	1,174,182	333	29,244,321	-	-	4	485,126	343	31,543,490
Oklahoma	-	-	1	1,798	391	19,633,135	-	-	2	34,163	394	19,669,096
Oregon	-	-	5	1,377,991	92	17,507,292	-	-	-	-	97	18,885,283
Pacific Island Area	-	-	-	-	5	177,286	-	-	-	-	5	177,286
Pennsylvania	-	-	2	45,165	35	1,911,477	-	-	2	12,005	39	1,968,647
Rhode Island	-	-	-	-	3	59,225	-	-	-	-	3	59,225
South Carolina	-	-	7	406,804	44	5,835,633	-	-	-	-	51	6,242,437
South Dakota	-	-	1	64,601	31	4,424,956	-	-	2	460,467	34	4,950,024
Tennessee	-	-			34	1,561,595	-	-	-	-	34	1,561,595
Texas	-	-	5	743,648	8	1,760,277	-	-	-	-	13	2,503,925
Utah	-	-	-	-	72	12,871,346	-	-	1	170,192	73	13,041,538
Vermont	-	-	-	-			-	-	1	60,978	1	60,978
Virginia	-	-	2	54,766	15	530,696	-	-	-	-	17	585,462
Washington	-	-	8	2,060,652	36	2,323,426	-	-	4	486,383	48	4,870,461
West Virginia	-	-	1	56,483	54	1,575,992	-	-	1	11,397	56	1,643,872
Wisconsin	-	-	-	-	120	6,396,067	-	-	1	36,146	121	6,432,213
Wyoming	-	-	1	21,964	55	5,270,773	-	-	-	-	56	5,292,737
Total	3	639,861	156	25,838,013	3116	302,103,897	47	5,201,978	109	9,950,486	3431	343,734,235

Data Source: ProTracts July 7, 2014

Mr. Aderholt: Please provide the number of acres per year that have been enrolled in the Conservation Stewardship Program? How many will be enrolled in fiscal year 2014? What is the average cost per acre of all enrolled contracts? What is the average acreage enrolled per farm?

Response: The agency expects to enroll new acres up to the annual limit (i.e., 10 million), excluding renewals in 2014. Prior year information is displayed in the table below.

[The information follows:]

Fiscal Year	No. of Contracts	Acres	Average Cost Per Acre (FA only)	Average Acreage Per Contract
2010	19,804	24,206,583	$13	1,222
2011	9,448	12,479,643	15	1,321
2012	8,932	12,009,103	14	1,345
2013	6,992	9,519,370	13	1,361
Total	45,176	58,214,699	-	-

Mr. Aderholt: How much funding was allocated to maintain existing practices and how much was allocated for new practices in fiscal year 2013 for the Conservation Stewardship Program? How much is estimated to be allocated for these purposes in fiscal year 2014?

Response: The table below identifies the financial assistance amount of funding allocated to existing practices and new practices in FY 2013 (actual) and FY 2014 (estimated).

[The information follows:]

CONSERVATION STEWARDSHIP PROGRAM PRACTICES

Practices	2013 Actuals	2014 Estimates
Existing	$54,606,920	$60,750,000
New	69,499,717	74,250,000

Data Source: NRCS Protracts 10/25/2013.
Note: The ratio between existing to new practices was 44:56 in fiscal year 2013 of a total of $124,106,637 in financial assistance. In FY 2014, the estimated ratio split is 45:55 of a total of $135 million in financial assistance.

Wetlands Reserve Program

Mr. Aderholt: Please provide a chart showing the cumulative total number of acres enrolled in permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in the Wetlands Reserve Program. Please also provide the actual acreage enrollment by category for fiscal year 2013.

Response: Table 1 below includes the cumulative total number of acres enrolled in permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in the Wetlands Reserve Program (WRP). Table 2 below provides the actual acreage enrollment by category for fiscal year 2013.

[The information follows:]

Table 1: WRP Cumulative Enrolled Acres by Enrollment Type Fiscal Years 1992 - 2013	
Enrollment Type	Cumulative Acres
30-Year Easement	455,695
Permanent Easement	2,125,846
Restoration Cost-Share Agreement	123,111
30-Year Contracts with Tribes	2,771
Total	2,707,424

Table 2: WRP Enrolled Acres by Enrollment Type Fiscal Year 2013	
Enrollment Type	Acres
30-Year Easement	16,179
Permanent Easement	79,878
Restoration Cost-Share Agreement	29
30-Year Contracts with Tribes	0
Total	96,087

Mr. Aderholt: How much funding was allocated to permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements in fiscal year 2013 in the Wetlands Reserve Program? What is the technical assistance cost associated with each?

Response: NRCS obligated funding to enroll permanent easements, 30-year easements, and restoration cost-share agreements in fiscal year 2013 in the Wetlands Reserve Program as shown in the table below. NRCS did not enroll any 30-year contracts with Tribes in fiscal year 2013. The WRP technical assistance obligated to the States in fiscal year 2013 was approximately $58.2 million. NRCS does not collect data regarding technical assistance costs associated with each enrollment type nor data regarding due diligence and other acquisition associated costs by enrollment type. Therefore, the data below only reflects financial assistance funds obligated by enrollment type through the Wetlands Reserve Program.

[The information follows:]

Wetlands Reserve Program Fiscal Year 2013 Funding Obligation Summary by Agreement Type	
Agreement Type	Amount [a/]
30-Year Easements	$24,041,609
Permanent Easements	192,494,655
Restoration Agreements Associated with Easements	83,272,832
Restoration Cost-Share Agreements	2,018,354

[a/] Amounts do not include funds allocated for technical assistance, due diligence and acquisition costs associated with agreements.

Mr. Aderholt: What was the average cost of permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements for the Wetlands Reserve Program for fiscal year 2013?

Response: Below is a chart depicting the estimated average cost of fiscal year 2013 Wetlands Reserve Program enrollments by type. NRCS did not enroll any 30-year Contracts with Tribes in fiscal year 2013. Estimated averages listed below do not include due diligence costs associated with an agreement and therefore are not exact averages.

[The information follows:]

Wetlands Reserve Program Fiscal Year 2013 Summary of Average Cost by Agreement Type	
Agreement Type	Average Cost*/Agreement**
30-Year Easements	$178,000
Permanent Easements	442,000
Restoration Cost-Share Agreements	145,000

*Average costs represent only the easement acquisition and agreement costs and does not include associated due diligence costs.
**This does not represent a true average cost per agreement as the initial obligation amounts, used as the basis for the averages reported, do not include all costs associated with an individual agreement.

Wetlands Reserve Program

Mr. Aderholt: Please provide a chart showing WRP enrollments, including acres, contracts and associated funding by State.

Response: The table below lists the total number of fiscal year 2013 Wetlands Reserve Program enrollments, acres, and associated funding by State.
[The information follows:]

Fiscal Year 2013 WRP Enrollments and Obligations by State

State	Number of Agreements	Acres Enrolled	FA (in thousands)	TA (in thousands)
Alabama	10	836	$2,452	$850
Alaska	-	-	-	44
Arizona	-	-	-	78

State	Number of Agreements	Acres Enrolled	FA (in thousands)	TA (in thousands)
Arkansas	21	8,000	24,472	2,921
California	4	5,969	15,847	2,366
Colorado	2	95	575	257
Connecticut	-	-	-	34
Delaware	2	167	678	74
Florida	7	12,500	60,115	6,045
Georgia	9	4,667	8,639	897
Hawaii	-	-	-	154
Idaho	2	340	1,003	245
Illinois	10	869	4,356	1,218
Indiana	13	653	4,610	1,320
Iowa	30	2,829	21,393	1,881
Kansas	-	-	1,331	689
Kentucky	29	2,688	10,392	1,038
Louisiana	86	18,394	32,974	6,729
Maine	-	-	19	57
Maryland	12	792	3,787	697
Massachusetts	1	47	2,432	226
Michigan	4	264	4,325	1,176
Minnesota	31	2,962	8,299	2,875
Mississippi	14	1,921	12,560	2,310
Missouri	14	1,817	7,185	2,268
Montana	-	-	351	690
Nebraska	14	2,593	6,850	1,224
Nevada	3	926	8,243	188
New Hampshire	9	901	3,940	509
New Jersey	11	256	1,482	210
New Mexico	-	-	29	84
New York	14	783	3,293	1,053
North Carolina	1	550	7,517	1,122
North Dakota	41	6,214	7,836	2,498
Ohio	13	593	4,881	776
Oklahoma	4	1,627	4,665	1,172
Oregon	-	-	3,202	1,766
Pennsylvania	24	814	6,241	737
Puerto Rico	-	-	7	37
Rhode Island	-	-	9	40
South Carolina	4	787	1,637	874
South Dakota	55	4,894	12,435	2,344
Tennessee	45	3,922	12,880	1,581
Texas	16	4,201	6,725	2,756

State	Number of Agreements	Acres Enrolled	FA (in thousands)	TA (in thousands)
Utah	-	-	500	109
Vermont	2	54	148	207
Virginia	2	106	748	179
Washington	2	232	2,600	412
West Virginia	2	7	248	90
Wisconsin	12	817	4,839	811
Wyoming	-	-	22	303
Total	575	96,087	328,772	58,221

Notes:
Enrollments include active and completed agreements enrolled during FY 2013. Enrollment numbers are subject to change (e.g., an agreement may be cancelled, or acres may increase or decrease due to survey)
Technical and/or financial assistance includes activities associated with prior year enrollment as well as new enrollment.

Mr. Aderholt: How many WRP contracts, including acres and associated costs, have been sold or transferred since the contract was first signed? How many contracts are held by States and organizations?

Response: As of October 4, 2013, the National Easement Staging Tool identifies 1,152 Wetlands Reserve Program (WRP) easements, with approximately 249,917 associated acres, that have been transferred since the easement was first signed. Because no acquisition payments are received by a new landowner after the easement has been purchased no associated costs are identified. There are approximately 580 WRP easements where the land is owned by State or local governments.

Mr. Aderholt: How many WRP tracts were monitored in fiscal year 2013? How many were found to have problems or otherwise be out of compliance?

Response: In fiscal year 2013, NRCS monitored 11,291 Wetlands Reserve Program (WRP) easements. The agency identified 1,992 easements, or 17.6 percent of the easements reviewed, that have problems that require follow-up action to either confirm compliance or correct deficiencies.

Grasslands Reserve Program

Mr. Aderholt: Please provide a chart showing the cumulative total number of acres enrolled in rental contracts, permanent easements and restoration agreements in the Grasslands Reserve Program. Please also provide the actual acreage enrollment by category for fiscal year 2013.

Response: The information is submitted for the record. Table 1 below lists the cumulative total number of acres enrolled in the Grasslands Reserve Program by enrollment type. Table 2 lists the enrolled acres by agreement type for fiscal year 2013. Data is not available to provide information on restoration agreements associated with Grasslands Reserve Program Easements.

[The information follows:]

Table 1

Grasslands Reserve Program Cumulative Enrolled Acres Through Fiscal Year 2013 by Agreement Type	
Agreement Type	Acres
Easements	396,261
Rental Contracts	1,337,451

1/ Data is not available to break out Restoration

Table 2

Grasslands Reserve Program Fiscal Year 2013 Enrolled Acres by Agreement Type	
Agreement Type	Acres
Easements	59,184
Rental Contracts	89,390

1/ Data is not available to break out Restoration

Mr. Aderholt: How much funding was allocated to rental contracts, permanent easements and restoration agreements in fiscal year 2013 in the Grasslands Reserve Program? What is the technical assistance cost associated with each?

Response: In fiscal year 2013, over $38.3 million was allocated to purchase permanent easements through the Grassland Reserve Program (GRP), and over $10.7 million was allocated for rental contracts. GRP restoration agreements are always associated with a rental contract or an easement; however, that data is not available as a separate item. In fiscal year 2013, technical assistance costs for GRP easements and rental contracts were approximately $7.9 million. A total of $1.6 million of this technical assistance was provided to the Farm Service Agency (FSA) through an agreement. GRP is jointly administered by NRCS and FSA. Easements are administered by NRCS and rental contracts are administered by FSA with technical support from NRCS.

Grasslands Reserve Program Fiscal Year 2013 Approximate Funding by Agreement Type		
Agreement Type	Financial Assistance	Technical Assistance
Easements	$38,359,000	$7,941,000
Rental Contracts	$10,734,000	

1/ Data not available to break out restoration agreements associated with easements.
2/ Data not available to separate easement technical assistance from rental contract technical assistance
3/ Technical assistance amounts include technical assistance of $1,600,000 allocated to FSA for administering easement, rental, and restoration payments.

Mr. Aderholt: What was the average cost of rental agreements, permanent easements and restoration agreements in the Grasslands Reserve Program in fiscal year 2013?

Response: The average cost of rental agreements and permanent easements, including the associated restoration agreements, in the Grassland Reserve Program (GRP) is listed in the table below on a per acre basis. Under GRP, restoration agreements are associated with easement and rental contract enrollments.

[The information follows:]

Grassland Reserve Program Fiscal Year 2013 Summary of Average Costs per acre by Enrollment Type	
Type of Agreement	Average Cost Per Acre
Permanent Easement	$727
Rental Contracts	131

Mr. Aderholt: How many cooperative agreements has NRCS entered into under the Grasslands Reserve Program? Please list the name and location of each current cooperator.

Response: NRCS has entered into a total of eight cooperative agreements through the Grasslands Reserve Program from fiscal years 2009 through 2013. The table below includes the name and location of each cooperator.

[The information follows:]

GRP Cooperative Agreements

State	Cooperating Entity Name
California	American Land and Conservancy
Colorado	San Isabel Land Protection Trust
Colorado	The Nature Conservancy
Colorado	Colorado Cattlemen's Agricultural Land Trust
Connecticut	State of Connecticut (2 Agreements)
Kansas	Ranchland Trust of Kansas Inc.
North Carolina	Triangle Land Conservancy

Farm and Ranch Lands Protection Program

Mr. Aderholt: How many acres have been enrolled through the Farm and Ranch Lands Protection Program since 2008? How many acres were enrolled in fiscal year 2013 and are estimated to be enrolled in fiscal year 2014?

Response: A total of 657,584 acres have been enrolled into the Farm and Ranch Lands Protection Program (FRPP) from fiscal years 2008-2013. In fiscal year 2013 a total of 116,011 acres were enrolled into the FRPP. The Agricultural Act of 2014 repealed the Farm and Ranch Lands Protection Program and NRCS no longer has the authority to enroll additional acres into the program. However, the new Agricultural Conservation Easement Program combines the purposes and coordinates the functions of the FRPP along with the Wetlands Reserve Program and the Grassland Reserve Program.

Healthy Forests Reserve Program

Mr. Aderholt: Please provide a status report on the Healthy Forest Reserve Program for fiscal year 2013. Please provide information on number of acres enrolled, location and associated costs. Are there any unobligated balances? If so, how much?

Response: During FY 2013, 21 Healthy Forests Reserve Program (HFRP) projects were enrolled, encompassing approximately 8,500 acres, with financial assistance obligations valued at over $4.7 million. In FY 2013, NRCS did not approve any additional States for HFRP participation, instead placing a priority on continuing to focus on projects and areas that were already approved. The cumulative number of acres enrolled, the location, and associated costs of HFRP are provided in the table below. There are currently un-obligated balances in HFRP of approximately $2.5 million from prior years. The un-obligated funds will be used to implement HFRP in fiscal year 2014.

[The information follows:]

Cumulative Acres Enrolled and Associated Costs
For the Healthy Forest Reserve Program by State through FY 2013

State	Enrolled Acres	Associated Costs (in Thousands)
Arkansas	313	$141
California	22,715	1,864
Georgia	1,850	3,095
Indiana	1,311	3,408
Kentucky	5,129	4,561
Maine	630,326	309
Michigan	288	783
Mississippi	4,184	3,056
Ohio	100	379
Oklahoma	6,484	6,232
Oregon	2,227	15,424
Pennsylvania	1,301	2,094
South Carolina	940	1,027
Total	677,168	42,373

Emergency Watershed Protection Program

Mr. Aderholt: Please provide a status report on the Emergency Watershed Program. Please include the funding history, current activities, and location of current activities.

Response: NRCS administers the Emergency Watershed Protection Program (EWP), which is designed to help local communities relieve imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences that cause watershed impairments. EWP has two distinct options for assisting landowners in affected areas, EWP-Recovery and EWP-Floodplain Easements.

Examples of EWP-Recovery restoration activities include: removal of debris from stream channels, road culverts, and bridges; reshaping and protecting eroded banks; correcting damaged drainage facilities; establishing vegetative cover on critically eroding lands; repairing levees and structures; and repairing damaged conservation practices.

EWP-Floodplain Easements (EWP-FPE) is utilized to purchase floodplain easements in locations where traditional EWP-recovery efforts would be ineffective. Privately owned lands and local or State government-owned lands are eligible for enrollment in EWP-FPE

- During fiscal years (FY) 2012 – 2014, NRCS allocated over $279 million to EWP-Recovery projects to alleviate damage caused by natural disasters including Hurricanes Irene and Sandy, record-breaking wildfire seasons, and tornados across the Nation.

- NRCS recovery efforts following historic back-to-back wildfire seasons and flooding disasters are ongoing in Arizona, California, Colorado, Idaho, Montana, Nebraska, New Mexico, and Utah.

- EWP funds exceeding $33.9 million have been allocated to Colorado for wildfire and flooding recovery efforts during FY 2013. Extensive reseeding and mulching of burned areas is ongoing. Barriers have been placed in some areas at high risk of flooding and mudslides. September 2013 flooding caused extensive damage in Larimer, Weld, Boulder, El Paso, and Morgan counties, leaving eroded and unstable stream and river banks, debris, and relocation of river and stream channels. Exigent restoration work has been obligated ($7.3 million) and 10 percent has been accomplished but the remainder is on hold until the spring snowmelt occurs. Eighty percent of the work is completed in Larimer and El Paso counties from the 2012 fires and the remaining construction is scheduled to begin in April as weather permits with an estimated completion date of August 2014.

- EWP funds exceeding $7.7 million have been allocated to California for drought and flooding during FY 2013 - 2014. Ventura and Los Angeles counties have numerous communities at extreme risk of mudslides where recent torrential rains washed away non-vegetated hillsides. EWP activities include reseeding barren land and the installation of concrete barriers to protect lives and property.

- Hurricane Sandy caused extensive damage in the Northeast sector of the country. To date, the following States have been allocated recovery funds: Connecticut ($441,988), Maryland ($150,000), New Jersey ($4.9 million), New York ($1.7 million), and Rhode Island ($70,868).

- Dune stabilization, debris removal, and streambank stabilization has been ongoing in Connecticut as weather permits. Extreme cold and snow has slowed projects but work is currently 40 percent completed.

- New York suffered significant damage to coastal dikes in Suffolk and Richmond County. Additional flooding in June 2013 caused extensive erosion and blockage in Schoharie County. Three projects are addressing streambank protection and grade control using cross vanes and stacked walls. Five coastal dikes in Southold require repair to protect prime agricultural land from erosion and saltwater encroachment. Winter weather has delayed this project but will begin as soon as possible. Project is approximately 25 percent complete.

- New Jersey suffered extensive damage including sedimentation, debris, and streambank destabilization, and fallen trees affecting five eounties (Bergen, Middlesex, Monmouth, Ocean, and Union). Eighteen projects are ongoing with 25 percent completed, and the remaining 75 percent approximately 50 percent completed. Winter weather and fishery-related restrictions have prevented work until later in the year. Fifty floodplain easement applications have been received mostly from Cumberland County.

- The first Hurricane Sandy EWP-FPE sign-up resulted in 37 projects in three States totaling $18.25 million, of which $11.7 million has been allocated to States for easement purchases.

[The information follows:]

Emergency Watershed Protection Program Funding History 1992 – 2014

Fiscal Year	Appropriation	Public Law	Title
1992	$62,000,000	P.L. 102-368	Dire Emergency Supplemental Appropriations Act, 1992
1993	60,000,000	P.L. 103-75	Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993
1994	340,500,000	P.L. 103-211	Emergency Supplemental Appropriations Act of 1994
1996	80,514,000	P.L. 104-134	Omnibus Consolidated Rescissions and Appropriations Act of 1996
1997	63,000,000	P.L. 104-208	Omnibus Consolidated Appropriations Act, 1997
1997	166,000,000	P.L. 105-18	1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters
1998	80,000,000	P.L. 105-174	1998 Emergency Supplemental Appropriations and Rescissions Act
1999	95,000,000	P.L. 106-31	1999 Emergency Supplemental Appropriations Act
2000	80,000,000	P.L. 106-113	Consolidated Appropriations Act, 2000 - Title 1 - Emergency Supplemental Appropriations
2000	4,000,000	P.L. 106-246	Military Construction Appropriations Act, 2001
2001	109,758,000	P.L. 106-387	Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2001 - Appendix - Title VIII - Natural Disaster Assistance and Other Emergency Appropriations
2001	35,500,000	P.L. 107-20	Supplemental Appropriations Act, 2001
2002	94,000,000	P.L. 107-206	2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States
2004	149,115,000	P.L. 108-199	Consolidated Appropriations Act, 2004 - Div. H- Miscellaneous Appropriations and Offsets
2005	250,000,000	P.L. 108-324	Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005
2005	104,500,000	P.L. 109-13	Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005
2006	300,000,000	P.L. 109-148	Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006
2006	50,955,000	P.L. 109-234	Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006
2007	10,692,000	P.L. 110-28	U.S. Troop Readiness, Veteran's Care, Katrina Recovery, and Iraq Accountability Act, 2007
2008	390,464,000	P.L. 110-252	Supplemental Appropriations Act , 2008

Fiscal Year	Appropriation	Public Law	Title
2008	100,000,000	P.L. 110-329	Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009
2012	215,900,000	P.L.111-55	Robert T. Stafford Disaster Relief and Emergency Assistance Act
2013	171,000,000	P.L. 113-2	Disaster Relief Appropriations Act for Hurricane Sandy,2013
2013	63,681,523	P.L. 113-6	Consolidated & Further Continuing Appropriations Act,2013
NOTE: Includes rescissions and reductions where appropriate.			

Mr. Aderholt: Please provide a status report on the Watershed and Flood Prevention Program. Please include a list of authorized projects, estimated costs per project and funding provided by State and local sponsors.

Response: The Watershed Protection and Flood Prevention Act of 1954 provides for cooperation between the Federal government, States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The Watershed Program uniquely complements other USDA programs by assisting public entities to install measures that benefit multiple land users or entire communities and address natural resource needs in entire watersheds.

Background Information

The Watershed Program is being utilized by communities to address a variety of needs, including:

- Flood damage mitigation using floodwater-retarding dams and similar structural measures, floodplain easements, and flood proofing of homes and businesses;
- Agricultural water supply (including water for rural communities);
- Water quality;
- Water conservation;
- Groundwater recharge;
- Public fish and wildlife habitat; and
- Public water-based recreation.

NRCS is providing, for the record, information on currently funded active projects including currently active construction and design projects. The listed project costs include project funds already expended and funds currently obligated in contracts and agreements. All efforts will be made to complete the projects that are in construction through the use of unobligated balances carried forward, which is the only funding available for this program. No new funding has been provided for this program since fiscal year 2010.

[The information follows:]

Watershed and Flood Prevention Authorized Projects

Authorized Project	Congressional District	Estimated Cost per project	Funding provided by Sponsor	Program
Apache-Junction Gilbert Power line	01-AZ, 06-AZ	4,497,450	1,044,352	PL-566
Alameda	10-CA,11-CA	2,674,000	145,000	PL-566
Dry Creek	04-CA	500,000	15,000	PL-566
Lahaina Watershed	02-HI	10,000,000	2,273,000	PL-566
Lower Hamakua Ditch Watershed	02-HI	6,720,000	3,360,000	PL-566
Waliluka Alenaio Watershed	02-HI	3,000,000	671,000	PL-566
Upcountry Maui Watershed	02-HI	10,800,000	5,400,000	PL-566
Little Otter Creek	06-MO	21,423,000	9,666,308	PL-566
East Locust CK	06-MO	60,322,988	20,724,885	PL-566
Buck and Duck Creeks	01-NE	1,494,295	658,833	PL-566
Neshaminy Creek	08-PA; 13-PA	76,040,000	46,650,000	PL-566
Attoyac Bayou	01-TX	15,102,894	4,659,000	PL-566
Trinity – Elm Fork	13-TX	6,707,958	2,455,358	PL-534
Elm Creek (1250) site 1A Rev.	17-TX,31-TX	8,799,208	635,000	PL-566
Big Creek (Tri County) sites 16,17,18	17-TX,31-TX	4,738,801	49,000	PL-566
Dunloup Creek	03-WV	17,304,746	800,000	PL-566
Potomac - Lost River	02-WV	29,324,100	3,149,400	PL-534
Totals		279,449,440	102,356,136	

Mr. Aderholt: Please provide a status report on the Watershed Rehabilitation program, including a list of proposed projects and estimated costs per project. Please include the total amount pending.

Response: Since 1948, local communities have constructed more than 11,831 watershed dams with assistance from NRCS. These dams provide flood control protection for America's communities and natural resources, but many also serve as primary sources of drinking water, recreation areas, and wildlife habitat. These projects have become an integral part of the communities they were designed to protect. Like highways, utilities, and other public infrastructure, these dams need to be maintained to protect public health and safety and to meet changing resource needs. The maintenance, repair and operation of the dams are the responsibility of local project sponsors.

Some communities that have been protected by these watershed dams are now more vulnerable to flooding because many of the dams have reached or will soon reach the end of their 50-year design life

span. Currently, 3,724 watershed dams have reached the end of their designed life span. By 2016, this number will exceed 4,749. Time has taken its toll on many of the dams; spillway pipes have deteriorated and reservoirs have filled with sediment. More significantly, subdivisions and businesses have been built in areas that were once agricultural land. As a consequence, if a dam protecting these areas were to fail, the health and safety of those living downstream would be threatened, along with the community's drinking water source. A dam failure could have serious adverse environmental effects.

In FY 2014, net funding provided to rehabilitation projects in the states was $238,191,313, including discretionary funding appropriated in the Consolidated Appropriations Act, 2014 and mandatory funding provided by the Agricultural Act of 2014. The balance of unfunded watershed rehabilitation projects in FY 2014 was $630,611,232.

All projects eligible for funding through NRCS, must meet the policy criteria set forth in the National Watershed Manual. The following projects are authorized pending funding.

[The information follows:]

Watershed Rehabilitation Projects

Proposed Projects	Congressional District	Estimated Cost per project	Estimated Amount Pending
Muddy Fork Of Illinois River 1	AR-03	$1,553,755	$1,553,755
Magma	AZ-06	13,973,900	-
Apache Junct- Powerline	AZ-06	5,150,000	-
Florence	AZ-01	2,720,500	-
Fredonia	AZ-01	3,926,600	-
Williams-Chandler, Rittenhouse	AZ-06	5,150,000	5,150,000
Williams-Chandler, Vineyard Rd.	AZ-06	5,150,000	-
Buckeye	AZ-02	17,437,900	-
White Tank Mountains 4	AZ-02	15,283,100	-
Dry Creek Dam F-4	CO-05	117,000	117,000
Coosa - Little River	GA-04, 07, 09	614,096	614,096
Spring Creek (Reno) R1	KS-04	1,151,000	-
Little Walnut-Hickory - 19	KS-04	3,126,464	3,126,464
Muddy Creek, 4-6	KS-04	408,962	408,962
Rock Creek (Butler) - 2	KS-04	2,398,568	2,398,568
South Sector Upper Walnut - 1	KS-04	1,738,600	1,738,600
North Sector Upper Walnut - 21	KS-04	7,392,884	7,392,884
North Sector Upper Walnut – 6	KS-04	2,398,568	2,398,568
Red Lick Cork - 1	KY-05, 06	443,500	443,500
Chiwapa Creek 65	MS-01	471,700	-
Su-As-Co 303	MA-03	2,423,000	-
Su-As-Co 304	MA-03	1,846,000	-

Proposed Projects	Congressional District	Estimated Cost per project	Estimated Amount Pending
Su-As-Co 310	MA-03	4,462,000	-
Su-As-Co 311	MA-05	2,827,000	-
Richland Creek 2A	MS-03	1,538,000	-
Richland Creek 3	MS-03	1,538,000	-
Upper Turtle River - 9	ND-00	1,538,000	1,538,000
Tongue River, M-4	ND-00	8,538,000	-
Big Indian Creek, 15-A	NE-01	84,700	-
Oak Middle Crk Tribs. of Salt Crk, 82B	NE-01	6,100,000	6,100,000
Wilson Crk, 8-H	NE-01	722,800	722,800
Upper Big Nemaha 25C	NE-01	945,000	-
Up. Salt & Swedeburg 3A	NE-01	1,954,000	-
Santa Cruz River 1	NM-03	3,000,000	3,000,000
Upper Gila Valley Arroyos 6	NM-02	1,231,000	1,231,000
Hatch Valley Arroyos 6	NM-02	769,000	-
Hackberry Draw - 2	NM-02	307,692	-
Conewango Crk, 13	NY-27	1,154,000	1,154,000
Little Choconut; Finch Hollow; & Trout B - 2A	NY-24	94,158	94,158
Little Choconut; Finch Hollow; & Trout B - 2B	NY-24	168,626	168,626
Little Choconut; Finch Hollow; & Trout B - 2C	NY-24	112,899	112,899
Little Choconut; Finch Hollow; & Trout B - 2E	NY-24	280,470	280,470
Upper Hocking River 9	OH-07	663,800	663,800
Chippewa - VII C	OH- 14, 16	1,500,000	1,500,000
Caney-Coon Crk, 2	OK-02	3,392,000	3,392,000
Fourche Maline Creek 7M	OK-02	2,308,000	-
Upper Black Bear Creek 62	OK-03	3,077,000	-
Sallisaw Creek 32	OK-02	4,500,000	4,500,000
Sallisaw Creek 33	OK-02	500,000	-
Sallisaw Creek 34	OK-02	350,000	350,000
Sallisaw Creek 30	OK-02	2,300,000	2,300,000
Sallisaw Creek 28	OK-02	6,200,000	6,200,000
Sallisaw Creek 26	OK-02	2,206,600	2,206,600
Cottonwood Creek, 16	OK-03	2,600,000	2,600,000
Cottonwood Creek, 54	OK-03	1,548,100	-
Quapaw - 15	OK-03	6,500,200	-
Upper Elk Crk, 23D	OK-03	2,000,000	2,000,000
Washita - Barnitz Creek 1	OK-03	2,170,800	-
Washita - Barnitz Creek 5	OK-03	1,700,000	-

Proposed Projects	Congressional District	Estimated Cost per project	Estimated Amount Pending
Washita - Barnitz Creek 11	OK-03	1,341,700	-
Washita - Cobb Creek (Fast Runner) 10	OK-03	853,000	-
Washita Rock Crk, 15	OK-04	2,320,000	-
Washita Rock Crk, 16	OK-04	1,200,000	-
Little Washita, 26	OK-04	3,000,000	3,000,000
Greene-Dreher, 439	PA-10	2,037,681	2,037,681
Mill Run, 460	PA-03	820,956	820,956
Brandywine Creek Beaver Creek, 433	PA-06	2,308,000	-
Brandywine Creek Hybernia, 436-F	PA-06	2,500,000	-
Conneatville Dam - 112	PA-03	1,538,000	-
Pine Creek	TN-01	1,154,000	-
Mary's & Dand Creeks	TN-07	923,000	-
Calaveras Creek - 10	TX-28	3,442,800	-
Olmitos & Garcias Crks - 7	TX-28	2,571,100	-
Plum Creek 21	TX-27	3,200,000	3,200,000
Plum Creek 6	TX-25	3,975,500	-
Trinity - Mountain Creek 10	TX-06	4,164,300	-
Trinity - East Fork Above Lavon 2A	TX-03	3,333,000	3,333,000
Trinity River East Fork Above Lavon - 4	TX-03	3,898,600	-
Trinity Cedar Crk, 87A	TX-05	3,750,000	3,750,000
Martinez Creek 1	TX-28	2,809,800	-
Martinez Creek 2	TX-28	1,850,100	-
Martinez Creek 3	TX-28	1,729,300	-
American Fork-Dry Creek Silver Lake	UT-03	3,846,000	-
American Fork-Dry Creek Tibble	UT-03	6,154,000	-
American Fork-Dry Creek, Battle	UT-03	138,375	138,375
American Fork-Dry Creek, Dry Crk	UT-03	6,900,000	6,900,000
American Fork-Dry Creek, Grove	UT-03	4,000,000	4,000,000
Ferron Mill Site	UT-02	4,615,000	4,615,000
Warner Draw Gypsum	UT-02	2,692,000	-
Warner Draw Stucki	UT-02	1,538,000	-
Warner Draw Ivins 1	UT-02	400,000	400,000
Warner Draw Ivins 2	UT-02	250,000	250,000
Warner Draw Ivins 3	UT-02	300,000	300,000
Warner Draw	UT-02	214,700	214,700
Potomac - South River 10A	VA-06	33,624,200	-
Potomac - Upper North River 10	VA-06	5,415,000	-
Potomac - Upper North River 77	VA-06	2,000,000	2,000,000
Pohick Creek 8	VA-11	2,677,000	-
Upper Deckers Creek 1	WV-01	9,547,000	-

Proposed Projects	Congressional District	Estimated Cost per project	Estimated Amount Pending
Brush Crk - 14	WV-03	3,900,000	3,900,000
Wheeling Crk - 25	WV-01	6,800,000	6,800,000
North Fork Powder River - 1	WY-00	6,154,000	6,154,000
Total		331,644,054	117,270,462

Landscape-Scale Conservation Initiatives

Mr. Aderholt: Please update the list included in the fiscal year 2014 hearing record of all of the NRCS special initiatives, such as the Migratory Bird Habitat Initiative. Please include the funding allocation by program and by State.

Response: In fiscal year 2010, NRCS established nine landscape-scale initiatives with local, State and national partners to support voluntary conservation on private lands to address critical, regionally important conservation needs. FY 2014, there are 15 approved landscape conservation initiatives underway, including: 1) Sage Grouse; 2) Longleaf Pine; 3) Bay Delta; 4) Lesser Prairie Chicken; 5) Mississippi River Basin Healthy Watersheds; 6) Great Lakes Restoration; 7)Illinois River & Eucha-Spavinaw Lakes Watershed; 8) North Central Wetlands Conservation; 9) Red River Basin; 10) Ogallala Aquifer; 11) Gulf of Mexico; 12) Driftless Area; 13) Northern Everglades; 14) Working Lands for Wildlife; and 15) National Water Quality Initiatives.

Several changes to landscape conservation initiatives occurred with the passage of the Agricultural Act of 2014 ("2014 Farm Bill"). With the repeal of the Wetlands Reserve Program (WRP), the Farm and Ranch Lands Protection Program (FRPP), and the Grassland Reserve Program (GRP), landscape conservation initiatives that have an easement component will begin using the authorities under the Agricultural Conservation Easement Program (ACEP), including the ACEP–Wetland Reserve Easement (ACEP-WRE), the ACEP–Agricultural Land Easement (ACEP-ALE), and the ACEP-ALE–Grasslands of Special Environmental Significance (ACEP-ALE-GSS) programs.

Both the Great Lakes basin program and the Chesapeake Bay watershed program were repealed under the 2014 Farm Bill. The Cooperative Conservation Partnership Initiative (CCPI), used extensively to fund the Mississippi River Basin Healthy Watersheds Initiative (MRBI), was also repealed. Dedicated allocations for these initiatives has continued in FY 2014: the Great Lakes Restoration Initiative (GLRI) continues to be funded through a reimbursable agreement with the Environmental Protection Agency (EPA); States requested funding through NRCS's established allocations process for continued work on existing MRBI projects; and NRCS continue to provide assistance in the Chesapeake Bay Watershed. Specific information follows on each of these initiatives.

NRCS phased out three initiatives that had allocated funding in previous years: New England/New York Forestry, Northern Plains Migratory Bird Habitat, and West Maui Coral Reef. This action was based on evaluations as to how well they were meeting their stated goals. These initiatives had either reached their goals or were not performing as expected. States within these initiatives may continue prioritizing work in the same areas, and general program funding remains available.

As of August 8, 2014, approximately $253.9 million in financial assistance has been allocated to initiatives. The information is submitted for the record in the tables below.

[The information follows:]

The Sage Grouse Initiative (SGI) supports grazing land improvement and protection to maximize sage grouse habitat in the traditional range of the species. Participating States include: California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. Funding is provided through the Environmental Quality Incentives Program (EQIP), ACEP-ALE, and ACEP-ALE-GSS.

Sage Grouse Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP	ACEP-WRE	ACEP-ALE-GSS
California	$2,175,515	$3,002,175	-
Colorado	1,012,000	-	-
Idaho	2,273,176	-	$1,772,200
Montana	1,480,897	-	-
Nevada	791,000	1,434,200	1,475,450
North Dakota	183,117	-	-
Oregon	3,109,000	-	-
South Dakota	1,110,000	-	-
Utah	4,195,000	-	2,590,000
Washington	774,500	-	-
Wyoming	6,250,000	-	-
Total	23,354,205	4,436,375	5,837,650

The Longleaf Pine Initiative (LPI) helps private landowners and land users in restoring and improving the health of longleaf pine forest ecosystems in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia. Funding is provided through EQIP.

Longleaf Pine Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP
Alabama	$3,368,500
Florida	902,000
Georgia	4,001,000
Louisiana	234,500
Mississippi	832,000
North Carolina	938,000
South Carolina	1,624,000
Texas	271,000
Virginia	79,000
Total	12,250,000

The Bay Delta Initiative (BDI) addresses the critical water quality, water quantity, and habitat restoration needs of the Bay-Delta Central Valley watershed in California. Funding is provided through EQIP, ACEP-WRE, and ACEP-ALE-GSS.

The Bay Delta Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP	ACEP-WRE	ACEP-ALE-GSS
California	$17,686,000	$7,833,436	$1,404,050

The Lesser Prairie Chicken Initiative (LPCI) seeks to restore native rangeland habitat on working agricultural operations for the lesser prairie chicken and other wildlife in Colorado, Kansas, New Mexico, Oklahoma, and Texas. Funding is provided through EQIP.

Lesser Prairie Chicken
FY 2014 Allocation as of August 8, 2014

State	EQIP
Colorado	$599,500
Kansas	332,014
New Mexico	985,750
Oklahoma	256,750
Texas	901,556
Total	3,075,570

The Mississippi River Basin Healthy Watersheds Initiative (MRBI) targets resources and technical support to manage agricultural nutrients within fields, minimize runoff, and reduce nutrient loading in 54 priority watersheds in Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota, Tennessee, and Wisconsin. The MRBI also helps to restore and enhance wetlands in agricultural settings and to improve wildlife habitat. Funding in FY 2014 is provided through EQIP and ACEP-WRE.

Mississippi River Basin Healthy Watersheds Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP	ACEP-WRE
Arkansas	$24,164,500	$9,257,214
Illinois	319,000	
Indiana	735,000	
Iowa	7,801,406	
Kentucky	132,500	
Louisiana	433,422	64,632
Minnesota	882,038	
Mississippi	6,955,384	
Missouri	9,599,335	
Ohio	1,000,530	
South Dakota	609,000	
Tennessee	746,097	976,037
Wisconsin	37,500	
Total	53,415,711	10,297,883

The Great Lakes Restoration Initiative (GLRI) focuses on cleaning up the most-polluted areas in the Great Lakes, combating invasive species, protecting watersheds and shorelines from non-point source

pollution, restoring wetlands and other habitats, and working with strategic partners on education, evaluation, and outreach in Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin. The initiative is funded through an interagency agreement with the Environmental Protection Agency (EPA). In FY 2014, NRCS and EPA entered into an interagency agreement for $23,280,233 to provide funding for the eight states in the Great Lakes watershed. The FY 2014 agreement provides $13,280,233 to support the goals of the initiative in targeted watersheds across the Great Lakes basin. $7.5 million of these funds are dedicated for financial assistance (FA) for seven of the eight states. General priority area funding from the FY13 agreement carried into FY 2014 of $561,824 provides a total of $8.4 million available for FY 2014.

These funds are used to provide financial assistance for landowners through conservation contracts that implement conservation practices that meet the goals of the GLRI. Illinois' portion of the Great Lakes basis is predominately urban and has no crop land. Funds are provided to Illinois to work with partners in these urban areas. $3.5 million of the $13.2 million is for technical assistance funds, while $2.2 million will be used in a cooperative agreement with the Great Lakes Commission to further the goals of the initiative.

Great Lakes Restoration Initiative General Priority Areas
FY 2014 Allocation as of August 8, 2014

State	GLRI
Indiana	$649,728
Michigan	3,249,471
Minnesota	204,050
New York	1,195,630
Ohio	1,914,428
Pennsylvania	103,863
Wisconsin	1,086,567
Total	8,403,737

Additionally, $10 million was dedicated to phosphorous priority areas contributing to the waters of Western Lake Erie, Saginaw Bay, and Green Bay. The FY 2014 agreement provides $6.05 million in financial assistance that has been allocated for GLRI Phosphorus priority areas, the remaining $3.95 million are technical assistance funds. Phosphorus priority funding from the FY 2013 agreement carried into FY 2014 of $1.1 million provides a total of $7.2 million available for FY 2014.

Great Lakes Restoration Initiative Phosphorus Priority Areas
FY 2014 FA Allocation as of August 8, 2014

State	GLRI
Ohio	$1,570,000
Wisconsin	2,600,000
Michigan	3,025,799
Total	7,195,799

The Illinois River Sub-Basin and the Eucha-Spavinaw Lake Watershed Initiative (IRWI) was added in FY 2011 to improve water quality while maintaining agricultural food and fiber production on private lands in northwestern Arkansas and northeastern Oklahoma. Funding is provided through EQIP.

Illinois River and Eucha-Spavinaw Lakes Watershed
FY 2014 Allocation as of August 8, 2014

State	EQIP
Arkansas	$4,018,000
Oklahoma	882,000
Total	4,900,000

The North Central Wetlands Conservation Initiative (NCWCI) was established to increase the technical capacity of States within the Prairie Pothole Region to make certified wetlands determinations. Participating States include: Iowa, Minnesota, North Dakota, and South Dakota. Initial funding in the amount of $3.75 million was provided through the Conservation Technical Assistance Program (CTA) i FY 2011. In FY 2014 States received $1.5 million of CTA funds and the States provided a match of another $1.5 million.

The Red River Basin Initiative (RRBI) was established to address flooding concerns in the Red River of the North Watershed Basin. The basin is a highly productive and predominately cropland basin Since 1993, the Red River Basin area has experienced repeated large scale flood events. The RRBI is pa of a strategy to reduce peak flows on the Red River of the North and its main tributaries; especially durin spring flood events. Participating states include: Minnesota, North Dakota, and South Dakota. Funding has been provided through WRP and ACEP-WRE; however, in FY 2014 the RRBI received $500,000 in EQIP funds in July to address flooding concerns in the basin.

Red River Initiative
FY 2014 Allocation as of August 8, 2014

State	ACEP-WRE	EQIP
Minnesota	$766,472	$250,000
North Dakota	664,173	250,000
Total	1,430,645	500,000

The Ogallala Aquifer Initiative (OAI) is designed to reduce the quantity of water removed from the aquifer and to improve water quality using conservation practices on cropland and rangeland. Participating States include: Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texa and Wyoming. Funding is provided through EQIP.

Ogallala Aquifer Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP
Colorado	$697,500
Kansas	2,492,623
Nebraska	8,110,000
New Mexico	118,000
Oklahoma	1,008,500
Texas	6,129,000
Wyoming	402,665
Total	18,958,288

The Gulf of Mexico Initiative (GoMI) was launched to address water quality and wildlife habitat concerns along the Gulf Coast of the United States. This action was developed in response to the

Deepwater Horizon oil spill and to help restore the waters, shores and wildlife populations along the Gulf Coast. This initiative is designed to help producers in 16 priority watersheds in seven major river basins in five States; including Alabama, Florida, Louisiana, Mississippi, and Texas. In FY 2014, funding was provided through EQIP.

Gulf of Mexico Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP
Alabama	$389,000
Florida	1,451,000
Louisiana	1,010,000
Mississippi	730,500
Texas	919,500
Total	4,500,000

The Driftless Area Landscape Conservation Initiative (DALCI) was launched in FY 2012 to provide assistance to agricultural producers for implementing practices that reduce erosion and improve fish wildlife habitat in the Driftless Area of Iowa, Wisconsin, Minnesota, and Illinois. Financial assistance is provided through EQIP.

Driftless Area Landscape Conservation Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP
Illinois	$743,000
Iowa	743,000
Minnesota	1,008,417
Wisconsin	1,749,000
Total	4,243,417

The Everglades Initiative (EI) is designed to provide assistance to improve water quality, control invasive plant species, benefit wildlife and fish habitat, and support rural economies in the Florida Everglades Region. Funding is provided through EQIP, ACEP-WRE, ACEP-ALE, and ACEP-ALE-GSS.

Everglades Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP	ACEP-WRE	ACEP-ALE	ACEP-ALE-GSS
Florida	$4,064,266	$18,123,242	$2,405,250	$3,605,250

Working Lands for Wildlife (WLFW) is a partnership between NRCS and the U.S. Fish and Wildlife Service (FWS) to restore wildlife habitat for at risk wildlife species. It leverages capabilities and resources, targets assistance, cooperatively engages State and local partners, and works collaboratively with agricultural producers, forest land managers, and Tribes. Funding is provided through EQIP. WLFW is a voluntary, incentive based effort with three main goals:

1) Provide landowners with financial and technical assistance to help them improve their lands through wildlife habitat management and protection.

2) Implement conservation practices that will help restore populations of declining wildlife species (candidate, federally listed endangered and threatened or other at-risk wildlife species). Current species addressed by WLFW include Bog Turtle, Sage Grouse, Southwestern Willow Flycatcher, Gopher Tortoise, New England Cottontail, Golden-Winged Warbler, and Lesser Prairie Chicken. (Note that allocations for Sage Grouse and Lesser Prairie Chicken are discussed above in their own sections.)
3) Provide landowners with Endangered Species Act regulatory predictability and confidence that conservation investments they make on their lands today can help sustain their operations over the long term.

Working Lands for Wildlife
(Bog Turtle, Southwestern Willow Flycatcher, Gopher Tortoise, New England Cottontail, and Golden-Winged Warbler)
FY 2014 Allocation as of August 8, 2014

State	EQIP	ACEP-WRE
Alabama	$144,790	
Arizona	251,684	
California	800,000	
Colorado	223,755	
Connecticut	325,159	
Florida	473,981	
Georgia	1,000,000	
Louisiana	52,371	
Maine	207,000	
Maryland	220,000	
Massachusetts	31,748	
New Hampshire	80,912	
New Jersey		$68,416
North Carolina	42,650	
Pennsylvania	1,000,000	2,739,946
Tennessee	13,348	
Virginia	49,458	
West Virginia	1,748	
Total	4,918,605	2,808,362

Launched in FY 2012, the National Water Quality Initiative (NWQI) accelerates conservation in small, targeted to improve water quality. Nationally, NRCS dedicates EQIP funding to producers who voluntarily implement conservation systems to address agricultural sources of water pollution, including nutrients, sediment, and pathogens. Through NWQI, NRCS is also piloting the use of its new Water Quality Index for Runoff Water from Agricultural Fields in at least one watershed per State. The Index will enable producers to evaluate the effects of alternative conservation systems.

National Water Quality Initiative
FY 2014 Allocation as of August 8, 2014

State	EQIP
Alabama	$446,492
Alaska	157,000
Arizona	365,500
Arkansas	975,000
California	1,716,000
Colorado	1,260,000
Connecticut	108,000
Delaware	283,000
Florida	249,000
Georgia	775,000
Hawaii	369,057
Idaho	530,261
Illinois	485,237
Indiana	941,500
Iowa	986,000
Kansas	450,602
Kentucky	221,000
Louisiana	807,000
Maine	332,000
Maryland	361,000
Massachusetts	27,000
Michigan	327,000
Minnesota	94,953
Mississippi	1,152,506
Missouri	827,710
Montana	555,000
Nebraska	1,154,000
Nevada	450,000
New Hampshire	60,000
New Jersey	255,000
New York	277,009
North Carolina	1,094,000
North Dakota	592,153
Ohio	810,000
Oklahoma	124,582
Oregon	391,003
Pennsylvania	1,000,000
Puerto Rico	231,000
Rhode Island	32,652
South Carolina	663,000

State	EQIP
South Dakota	498,000
Tennessee	765,000
Texas	3,518,000
Utah	423,000
Vermont	127,544
Virginia	675,999
Washington	1,180,000
West Virginia	271,413
Wisconsin	1,397,237
Wyoming	527,536
Total	31,320,946

Grazing Lands Funding

Mr. Aderholt: Please provide a table showing funding provided to grazing lands issues for fiscal years 2013 (actual) and 2014 (estimated).

Response: The information is submitted for the record. The table below provides the actual obligations in fiscal year 2013 and the estimated obligations for fiscal year 2014 for grazing related conservation practices and activities for the listed programs. Funding levels shown do not include financial assistance dollars associated with Waste Management Systems.

[The information follows:]

Grazing Lands Funding

Program	FY 2013 Actual	FY 2014 Estimated*
AMA	$494,605	$419,740
AWEP	2,818,468	1,722,300
CBWI	6,279,669	5,790,546
EQIP	284,070,549	213,783,617
WHIP	23,178,308	14,553,484
CSP	29,534,135	29,655,181
GRP	6,320,631	4,172,464
TOTAL	352,696,365	270,097,332

*FY 2014 projection is average of FY 2012 and FY 2013 obligations.

Grazing Lands

Mr. Aderholt: How many NRCS employees were dedicated to grazing lands issues in fiscal year 2013 and are estimated to be dedicated to them in fiscal year 2014?

Response: In FY 2013, a total of 334 NRCS staff were dedicated to providing grazing land technical assistance, including rangeland management specialists, forage agronomists, and grassland specialists at the State level and below. In FY 2014, NRCS estimates that 322 NRCS staff will provide this type of technical assistance.

Conservation Compliance

Mr. Aderholt: How much did NRCS spend on highly erodible land and wetlands determinations and conservation compliance in fiscal years 2008 through 2014?

Response: NRCS conducts Food Security Act status compliance reviews each year on a randomly identified sample of cropland tracts. Tracts owned by USDA employees are added to the list of those to be reviewed. Fiscal year 2014 figures are not yet available.

Compliance reviews are conducted on a yearly basis with a national sample of farm tracts provided to the States. The national sample of farm tracts is derived from computerized records kept by the Farm Service Agency. The sample size is approximately one percent of the farm tracts that received a farm payment in the past year and contain cropland. The tracts are provided to the States on January 1, and they can conduct the compliance review at any time during the year. The compliance review determinations must be available to National Headquarters by December 1.

Time spent conducting the compliance reviews does not represent the entirety of NRCS costs associated with wetland and highly erodible land determinations. Additional costs include managing and maintaining the software application, developing and updating policy, and providing training and oversight for reviews. However, NRCS does not track the cost of these activities.

The following table summarizes the total hours spent each year completing conservation compliance on selected cropland tracts. The reviews for fiscal year 2014 have not been completed to date.

[The information follows:]

Time Spent Conducting Compliance Reviews
(All Types)[/2]

	2008	2009	2010	2011	2012	2013[/1]
Hours	63,048	54,090	50,610	66,849	65,488	65,004
Cost	$3,864,842	$3,315,717	$3,102,393	$4,097,844	$4,014,414	$3,984,745

[1/]Cost figure is based on fiscal year 2012 cost estimates and assumes $61.30 hourly rate based on the following: Average hourly salary for GS-11 step 5 (source: OPM general schedule tables for Rest of U.S.) plus estimate for benefits and non-salary support.
[2/]The numbers in the table do not include the time spent on HEL or Wetlands Determinations.

Mr. Aderholt: How many Technical Service Providers (TSP) are registered with NRCS? How much funding is associated with TSPs?

Response: There are currently 2,217 Technical Service Providers certified by NRCS to assist producers in getting conservation on the land. NRCS obligated over $62 million of technical and financial assistance funds in fiscal year 2013 into conservation agreements and landowner contracts.

Partnership, Cooperative Or Other Agreements

Mr. Aderholt: Please update information from the fiscal year 2014 hearing record on the number of partnership, cooperative or other agreements that NRCS has entered into.

Response: NRCS entered into 5,590 partnership, cooperative or other agreements in fiscal years 2011, 2012, 2013, and 2014. The table below provides for each year the number of agreements with States, local governments, non-profits, private organizations, and other types of organizations (e.g., universities and Tribal governments).

[The information follows:]

Partnership, Cooperative or Other Agreements

Fiscal Year	States	Local Gov't	Non profits	Private	Other*	Total
2011	369	383	347	29	106	1,234
2012	443	839	358	294	156	2,090
2013	174	562	354	41	450	1,581
2014**	73	255	63	2	292	685
Total	1,059	2,039	1,122	366	1,004	5,590

*Note: Other includes Universities, Tribal governments and Interagency agreements.
** 2014 information is year-to-date

Mr. Aderholt: How much funding is associated with these agreements? Please provide information on both mandatory and discretionary funding.

Response: The total funding associated with these agreements is $1,294,856,184, from fiscal years 2011 to 2014 (to date).

[The information follows:]

Partnership, Cooperative or Other Agreements Funding

Fiscal Year	Discretionary	Mandatory	Total
2011	$93,794,131	$37,633,334	$131,427,465
2012	377,284,114	185,354,217	562,638,331
2013	232,642,497	94,905,481	327,547,978
2014	184,219,477	89,022,933	273,242,410
TOTAL	887,940,219	406,915,965	1,294,856,184

Note: FY 2014 reflects agreements.

Mr. Aderholt: Please update the Committee on NRCS's transfers of funding and authority to distribute that funding to any cooperating entity. Please list the partner, amount and year the funding was transferred.

Response: NRCS entered into the following agreements where funding and the authority to distribute those funds were transferred to the partner entity.

[The information follows:]

Transfers of Funding and Authority

Partner	Transferred FY 2011	Transferred FY 2012
SOCIETY FOR THE PROTECTION OF NH FORESTS (SPNHF)	$194,503.00	-
Poultney-Mettowee NRCD	119,000.00	$59,754.00
Springbrook: Two Rivers Watershed District	468,641.00	-
City of Kellogg	204,550.00	-
Scaup and Willet, LLC	3,000.00	-
MEO AmeriCorps	3,262.50	-
Kona SWCD	2,752.92	-
E Kauai SWCD	1,993.70	-
Ka'u SWCD	2,255.14	-
University of Hawaii	2,255.14	-
Student Conservation Assn.	10,989.00	10,989.00

Personnel

Mr. Aderholt: Please provide a table showing the number of NRCS personnel assigned to headquarters, States, national centers, and any other offices.

Response: The table below displays the number of NRCS personnel assigned to National Headquarters (NHQ), States, national centers and other offices. The numbers below reflect all active employees, including permanent full time and part time personnel.

[The information follows:]

NRCS Personnel Assigned to Various Locations

Location	Number	Percent
State/Field Offices	9,526	92
NHQ*	552	5
National Centers and Other	321	3
Total	10,399	100

*NHQ includes: National Employee Development Center, Business Management Leadership Program, and Information Technology Center

National Call Centers

Mr. Aderholt: Please provide a list of the national centers, including location, funding and staff levels associated with each center for fiscal years 2008 through 2014 and anticipated for fiscal year 2015.

Response: The information is submitted for the record.

[The information follows:]

National Center Name	Location	Funding (Dollars in Thousands)								Staff Levels							
		FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
National Employee Development Center	Fort Worth, Texas	$2,870	$3,149	$5,342	$6,672	$4,980	$3,405	$3,093	$3,093	17	17	20	22	31	29	29	29
National Information Technology Center 9/	Fort Collins, Colorado	7,373	15,353	26,991	25,546	38,935	8,109	8,470	8,470	42	36	33	40	62	41	58	58
National Geospatial Center Of Excellence 7/	Fort Worth, Texas	7,632	8,421	11,584	6,563	7,473	8,498	4,928	4,928	69	59	56	49	46	41	42	42
National Soil Survey Center 1/	Lincoln, Nebraska	8,232	7,607	11,406	11,987	11,748	9,572	7,702	7,702	61	61	69	78	80	73	75	75
National Water and Climate Center	Portland, Oregon	3,559	2,573	2,774	2,789	3,806	2,914	2,358	2,358	18	19	19	18	18	17	18	18
Agricultural Wildlife Conservation Center 2/	Madison, Mississippi	1,635	1,458	2,193	360	-	-	-	-	4	5	5	5	-	-	-	-
National Design, Construction Soil Mechanics Center	Fort Worth, Texas	3,059	2,799	3,276	3,138	3,140	2,478	2,647	2,647	20	20	18	19	21	16	16	16
National Soil Mechanics Center	Lincoln, Nebraska	1,485	1,459	1,459	1,599	1,667	1,425	1,464	1,464	17	16	15	17	17	14	15	15
National Water Management	Little Rock, Arkansas	2,110	2,062	1,830	1,825	1,925	1,551	1,232	1,232	15	15	12	13	13	11	9	9

Center																	
National Plant Data Center 3/	Baton Rouge, Louisiana	1,127	812	267	-	-	-	-	-	5	5	2	-	-	-	-	-
National Geospatial Development Center 4/	Morgantown, West VA	2,902	1,987	188	-	-	-	-	-	7	7	1	-	-	-	-	-
Wildlife Habitat Management Center 7/	Fort Worth, Texas	334	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-
East Remote Sensing Laboratory	Greensboro, North Carolina	8,302	1,248	1,736	2,392	2,467	2,530	2,411	2,411	8	8	24	38	38	34	34	34
Central Remote Sensing Laboratory	Fort Worth, Texas	1,357	1,466	2,602	3,378	3,347	3,216	3,174	3,174	14	14	34	50	48	40	42	42
West Remote Sensing Laboratory	Portland, Oregon	727	6,684	1,280	1,703	1,844	1,662	1,649	1,649	5	6	16	25	25	20	19	19
National Centers Servicing Unit 8/	Fort Worth, Texas	2,653	2,932	2,968	2,958	2,667	-	-	-	25	25	23	24	24	-	-	-
National Technology Support Center – West	Portland, Oregon	6,084	6,007	5,921	6,075	6,141	5,367	4,720	4,720	39	37	38	39	39	31	30	30

National Technology Support Center – Central 5/	Fort Worth, Texas	4,939	5,373	5,370	4,899	5,340	4,443	3,937	3,937	30	35	34	32	31	27	28	28
National Technology Support Center – East 6/	Greensboro, North Carolina	4,530	4,860	4,870	4,744	4,391	3,708	3,653	3,653	27	30	29	29	28	24	24	24

National Centers

1/ National Soil Survey Center include funding and staff levels for the Geospatial Development Center in Morgantown, WV during FY 2011 and FY 2012; however, the employees are located in West Virginia.
2/ The Agricultural Wildlife Conservation Center was not fully funded in FY 2011. Amount was for expenses through March 18, 2011. The Center employees have been reassigned to headquarters.
3/ The National Plant Data Center merged into National Technology Support Center – East beginning in FY 2010 with completion in FY 2011.
4/ National Geospatial Development Center in Morgantown, WV is supported through the National Soil Survey Center includes funding and staff levels during FY 2011 and FY 2012. Employees are located in West Virginia.
5/ In FY 2008 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC) (Lincoln, Nebraska.) The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service.
6/ The East National Technology Support Center include funding and staff levels for the National Plant Data Center for FY 2011; they were merged effective FY 2011.
7/ This center's name changed from the National Geospatial Management Center to the National Geospatial Center of Excellence in FY 2013.
8/ Due to changes to the NCSU organizational structure, based on the approved National Headquarters reorganization effective May 6, 2013, a separate chart will not be presented.
9/ Increased funds for NITC are related to funding and management of Information Technology initiatives for the agency that are being centralized to NITC.

National Technology Support Centers

Mr. Aderholt: Please provide a list of the national technology support centers, including their location, funding and staff levels associated with each center, for fiscal years 2008 through 2014 and anticipated for 2015.

Response: The information is submitted for the record.

[The information follows:]

National Technical Support Centers (NTSC)

NTSC Name	Location	Funding (Dollars in Thousands)								Staff Level							
		FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
West NTSC	Portland, Oregon	$6,084	$6,007	$5,921	$6,075	$6,141	5,367	4,720	4,720	39	37	38	39	39	31	30	30
Central NTSC 1/	Ft. Worth, Texas	4,939	5,373	5,370	4,899	5.34	4,443	3,937	3,937	30	35	34	32	31	27	28	28
East NTSC 2/	Greensboro North Carolina	4,530	4,860	4,870	4,744	4,391	3,708	3,653	3,653	27	30	29	29	28	24	24	24

1/ In FY 2008 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC), (Lincoln, Nebraska). The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service. Funding and staff level for this position are included in the table.

2/ East NTSC includes funding and staff levels for the National Plant Data Center for FY 2011 which was merged with the East NTSC in FY 2011.

Plant Materials Centerse

Please provide a list of all Plant Materials Centers, including location, funding and staff levels for fiscal years 2008 through 2014 and anticipated for fiscal year 2015.

Response: Plant Materials Center (PMC) operating costs and staff levels (FTE) for fiscal years (FY) 2008 through FY 2013 are actuals, and FY 2014 and FY 2015 are estimates. Operating Costs include staff costs, normal operating expenses, equipment maintenance and replacement, and facility maintenance and upgrades.

[The information follows:]

PLANT MATERIAL CENTERS OPERATING COSTS AND FTEs
FY 2008 – FY 2013 Actual, and FY 2014 - FY 2015 Estimate
(Dollars in Thousands)

PMC Location	2008 Cost	2008 FT	2009 Cost	2009 FTE	2010 Cost	2010 FT	2011 Cost	2011 FT	2012 Cost	2012 FTE	2013 Cost	2013 FTE	2014 Cost	2014 FT	2015 Cost	2015 FT
Tucson, Arizona	$274	3	$349	2	$324	3	$599	4	$389	4	$352	4	$392	4	$350	4
Booneville, Arkansas	246	3	321	3	290	4	336	3	353	4	357	4	360	4	360	4
Lockeford, California	318	3	390	4	430	3	514	3	552	3	410	2	400	2	340	3
Brooksville, Florida	290	3	389	4	363	5	448	5	334	4	458	3	320	3	320	3
Americus, Georgia	271	3	391	3	316	3	360	3	239	2	237	2	350	2	330	3
Molokai, Hawaii	348	3	421	4	401	4	360	3	388	3	326	3	350	3	350	3
Aberdeen, Idaho	382	5	460	4	378	4	359	4	509	3	405	4	500	4	420	4
Manhattan, Kansas	373	6	442	6	430	6	460	6	342	4	345	4	333	3	320	3
Golden Meadow, Louisiana	280	5	357	5	360	4	356	4	310	4	329	4	305	3	320	3
Beltsville, Maryland	535	4	434	4	472	4	530	4	486	4	494	4	500	4	400	4
East Lansing, Michigan	302	3	370	3	324	4	330	4	315	4	357	4	330	4	330	4
Coffeeville, Mississippi	259	4	277	3	239	3	268	3	251	3	198	2	320	2	320	3
Elsberry, Missouri	302	4	329	4	359	4	400	4	339	5	327	3	300	3	320	3
Bridger, Montana	357	4	409	3	351	3	365	3	366	3	348	3	340	3	340	3
Fallon, Nevada	342	3	297	3	296	3	233	2	150	2	199	2	200	2	200	2
Cape May, New Jersey	278	3	328	4	308	3	410	3	390	4	390	4	399	4	390	4
Los Lunas, New Mexico	364	3	415	4	344	4	388	4	375	4	380	4	383	4	370	3
Big Flats, New York	318	3	390	5	342	4	368	4	325	3	321	3	310	3	320	3
Bismarck, North Dakota	412	6	501	7	472	6	492	4	424	6	416	5	410	5	410	4
Corvallis, Oregon	337	3	409	4	352	3	431	3	355	4	353	4	306	4	320	3
Texas (3 Centers)	1,008	11	1,207	10	1,010	9	1,191	8	940	6	1,011	9	960	9	960	9
Pullman, Washington	297	4	360	3	319	4	293	4	320	3	338	3	320	3	320	3
Alderson, West Virginia	279	3	357	3	274	3	247	3	309	3	284	3	300	3	320	3
Other NRCS[1]	2,668	10	2,592	6	2,735	5	1,464	4	534	3	276	2	783	4	690	4
Sub-total, NRCS Locations	10,840	102	12,195	101	11,488	98	11,202	92	9,295	88	8,911	85	9,471	85	9,120	85

Operated by Cooperating Agencies or others with NRCS Assistance:

PMC Location	2008		2009		2010		2011		2012		2013		2014		2015	
	Cost	FT	Cost	FTE	Cost	FT	Cost	FT	Cost	FTE	Cost	FTE	Cost	FT	Cost	FT
Palmer, Alaska	262	na	95	na	54	na	81	na	50	na	0	na	0	na	0	na
Meeker, Colorado	233	na	242	na	210	na	231	na	172	na	69	na	60	na	50	na
Subtotal, Others	495	na	337	na	264	na	312	na	222	na	69	na	60	na	50	na
Total	11,335	102	12,532	101	11,752	98	11,514	92	9,517	88	8,980	85	9,531	85	9,170	85

[1]"Other NRCS" is funding used for agency operations, Congressional earmarks, or special plant materials activities.

Mr. Aderholt: Did any NRCS employees travel internationally in fiscal years 2013 and 2014 to date? If so, please describe the purpose of the trip, the associated cost and destination.

Response: Thirty-two NRCS employees traveled internationally in fiscal year 2013 and as of March 2014, 24 employees have traveled during fiscal year 2014. International travel is for the following purposes: International Meeting (IM); Technical Assistance - Long Term (>6 months) (LT); Technical Assistance - Short Term (<6 months) (TDY); Scientific and Technical Exchange (STE); Resident (3 years) (RES); Trans Border Issues (Trans); and Training (TRN). The following table provides the requested information on the purpose, associated total costs, and destinations for the trips.
[The information follows:]

FY 2013

Country	Number	Total	Type
Afghanistan	1	-	LT
Australia	2	$5,000	IM
Brazil	2	4,000	IM
Canada	5	4,790	IM
Canada	3	1,370	Trans
Canada	2	600	TRN
China, People's Republic of	1	-	STE
Colombia	1	292	STE
Congo, Democratic Republic of	1	-	TDY
Germany	1	4,500	IM
Mexico	2	4,827	IM
Micronesia	1	69,632	RES
New Zealand	1	-	IM
New Zealand	1	7,500	STE
Pakistan	6	-	TDY
Qatar	1	4,700	IM
Russia	1	6,000	IM
Total	32	113,211	

FY 2014

Country	Number	Total	Type
Afghanistan	1	-	LT
Australia	2	-	IM
Canada	2	$980	IM
Canada	1	387	TRN
Haiti	6	-	TDY
Israel	1	-	TDY
Italy	1	4,500	IM
Italy	1	3,585	STE
Jordan	1	-	TDY
New Zealand	1	7,856	STE

Country	Number	Total	Type
Pakistan	5	-	TDY
Russia	1	5,000	IM
South Africa	1	245	TDY
Total	24	22,553	

Note: Travel at no cost to the agency was either reimbursed by the Foreign Agricultural Service or the host country, or was at the traveler's own expense.

Mr. Aderholt: How many NRCS employees are serving in foreign countries in fiscal year 2014? Please provide information on the purpose of the assignment, duration of the assignment and associated costs.

Response: In fiscal year 2014, four NRCS employees have served or are currently serving in foreign countries. Two employees have served or are serving in Afghanistan on 12-month assignments supporting Operation Enduring Freedom. One of those employees completed his assignment in November 2013. The other employee was deployed in December 2012, extended his tour until June 2014, and is currently serving in Afghanistan. The costs for those deployed to Afghanistan are paid by the Foreign Agricultural Service.

In addition, two employees are currently serving three-year resident assignments. One employee is assigned to the Republic of Palau and one to the Federated States of Micronesia (FSM). The resident assignments are in support of the Compact of Free Association with both countries. Estimated total costs during FY 2014 for the employees on assignment in Palau and FSM is $588,000. Included in that total is the amount that NRCS will reimburse the State Department for embassy security, official mail, and other items.

Mr. Aderholt: How much funding was spent on GIS activities in fiscal years 2008 through 2014?

Response: There are five major components to the NRCS Enterprise GIS Program: Hardware, Software, Data, People, and Procedures. The National Geospatial Center of Excellence tracks NRCS Enterprise Geospatial investments.

[The information follows:]

Contributions to Positioning, Navigation, and Timing (PNT), Enterprise GIS Software & Acquisition of Geospatial Data

YEAR	GPS Mobile Devices and software Enterprise GIS Software (millions)			Geospatial Digital Data Imagery and Elevation (millions)			
	PNT GPS	ESRI1/	ERDAS	NRI Imagery	Stewardship Lands Imagery (SLI)	Imagery NAIP Satellite	Elevation IFSAR LiDAR
2008	$2.42	$1.95	adhoc	$7.34	$0.965	$0.530	$0.682
2009	4.61	2.65	adhoc	7.03	0.779	2.177	1.103
2010	6.38	2.65	$0.152	7.04	1.558	2.430	10.767
2011	3.18	2.65	0.209	7.24	1.811	1.910	2.079
2012	2.62	2.65	0.211	7.60	2.016	1.861	7.176
2013	3.93	2.65	0.211	7.58	2.246	1.375	2.300
2014	0.753/	2.65	0.213	6.87	2.599	1.710	3.452/

1/The approximate amount NRCS Share of ESRI Enterprise License Agreement.
2/IFSAR = $450,000.000 and LiDAR = $3,000,000.00
3/PNT GPS includes initiative money and estimated expenditures by the States.

Information Technology

Mr. Aderholt: Please provide a summary, including information on personnel, hardware, software, applications, and telecommunications, of NRCS spending on Information Technology for fiscal years 2008 through 2014. What is anticipated for fiscal year 2015?

Response: NRCS expects to spend $206.6 million on Information Technology (IT) in fiscal year 2015. Of this amount, $10.3 million is for personnel, $1.5 million is for Hardware, $6.5 million is for Software, $6.0 million for other government IT services, and $182.3 million in total for Support Services. Telecommunication and application expenditures are included in ITS Services and Other Support totals and cannot be broken out at this time. The table below itemizes IT spending for fiscal years 2008 through 2015.

[The information follows:]

Information Technology Spending
(Dollars in Millions)

IT Items	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Est.	FY 2015 Est.
Personnel	$7.80	$7.70	$7.80	$8.40	$6.00	$9.12	$10.46	$10.27
Hardware	0.90	1.70	8.90	10.80	27.70	2.17	0.58	1.50
Software	0.90	0.90	5.10	7.70	7.80	1.78	2.59	6.55
Other Government IT Services	28.10	24.80	37.20	3.60	4.80	2.83	12.93	6.03
ITS Support Services	87.40	93.10	96.00	93.00	73.60	116.64	120.68	120.67
Other Support Services	-	-	-	51.30	48.50	41.37	36.45	61.60
Total	125.10	128.20	155.00	174.80	168.40	173.91	183.69	206.62

Conservation Delivery Streamlining Initiaive

Mr. Aderholt: Please update the Committee on the Conservation Delivery Streamlining Initiative. What is the status of the initiative? What is the timeline for implementation? What efficiencies will be realized? How much will full implementation of the initiative cost? How much will it save?

Response: In FY 2010, NRCS leadership formally initiated an Agency-wide effort called the Conservation Delivery Streamlining Initiative (CDSI). The Initiative's goal is to define and implement a more effective, efficient, and sustainable business model for delivering conservation technical and financial assistance. Three overarching objectives were identified:

1. Simplify Conservation Delivery – Conservation delivery must be easier for both customers and employees.
2. Streamline Business Processes – The new business model and processes must increase efficiency and be integrated across Agency business lines.
3. Ensure Science-based Assistance – The new business model must reinforce the continued delivery of science-based products and services.

CDSI is implementing five broad strategies under this effort:(1) redesigning NRCS's business processes, (2) aligning its information technology with these redesigned processes, (3) integrating science technologies to enhance the quality and effectiveness of NRCS pograms, (4) simplifying and standardizing the delivery of financial assistance, and (5) providing ways for clients to work with NRCS that are more convenient and efficient.

The CDSI effort, which first received funding in FY 2010, is in its fourth year. During FY 2011 through FY 2012, NRCS redesigned a number of business processes focused on conservation planning and financial assistance delivery. Pilots to evaluate new processes and technologies were conducted in FY 2012.

In October 2012, NRCS began testing the Conservation Desktop application-version one. NRCS released version one as Beta version to four offices in March 2013. NRCS is considering

options for the nationwide implementation of its Conservation Desktop technology. The first release began to integrate the delivery of technical and financial assistance, introduce automated workflows for increased efficiency, and replace several existing inefficient, stove-piped tools. The first release of the Conservation Desktop also began integration of science-based technologies to efficiently address grazing and erosion. NRCS is currently finalizing requirements for a second version - making enhancements to the Conservation Desktop and expects to begin design in 2013.

In early 2013, NRCS began design and development on the first version of its new Client Gateway, a simple, web-based application for customers to apply for programs, check eligibility, view conservation plans and contracts, sign documents, request payments for practices applied, and much more. All these features will be available for NRCS customers 24 hours per day, seven days a week, without ever having to visit a NRCS office or make an appointment. NRCS expects to deploy the first version of the Client Gateway in 2014.

Also in early 2013, NRCS began design on its mobile planning application. The Mobile Planning Tool will add significant efficiency to NRCS's ability to deliver conservation assistance, and allow NRCS to spend as much as 75 percent of their time in the field with clients, compared to the 20 percent to 40 percent often reported by field staff.

NRCS's customers will benefit from this effort by:

- Having to make fewer trips (if any) to the field office;
- Saving NRCS's program participants over 750,000 hours annually;
- Shortening the timeline between applying for a program and having a signed contract (target is two weeks or less when fully implemented);
- Speeding up practice installation;
- Ensuring rapid payments after a practice is applied; and
- Having access to on demand on-line service for many of the steps in conservation assistance.

NRCS will be more efficient and effective by:

- Reducing document handling and wasteful duplicate data entry;
- Reducing decision and approval times for plans and contracts;
- Increasing environmental benefits through higher quality plans;
- Improving access to best-available information and technology, and
- Aligning staff with the more efficient business processes.

The total planning and development cost for the Streamlining Initiative is $122.4 million. Implementation and maintenance costs will increase with the national implementation of the first CDSI tools and processes, and total $86.4 million through FY 2021. The total cost for the CDSI effort through FY 2021 is estimated at $207 million.

NRCS estimates that when fully implemented, CDSI will "free up" over 1,500 staff years in the agency's state and field offices that are currently used for administering duplicative and burdensome administrative processes. These staff years can be refocused back on customer service and better planning and delivery of conservation assistance.

Mr. Aderholt: How much funding per year has been allocated to the Conservation Delivery Streamlining Initiative (CDSI) since it was initiated? How much more will be needed and for how many additional years?

Response: Allocations for CDSI were $7 million in FY 2010, $14 million in FY 2011, $9.43 million in FY 2012 and $7.11 million for FY 2013. For FY 2014, NRCS is requesting an apportionment from OMB of $15 million.

The total planning and development cost for the Streamlining Initiative is $122.4 million. Implementation and maintenance will increase with the national implementation of the first CDSI tools and processes, and total an estimated $84.6 million through FY 2021. The total cost for the CDSI effort through FY 2021 is an estimated $207 million.

Mr. Aderholt: Please update the Committee on the Conservation Effects Assessment Project (CEAP). Please include a table that shows the amount of funding allocated to CEAP per year since it was initiated and how much will be expended in fiscal year 2014 and 2015.

Response: CEAP was established within USDA in 2003 to develop a scientific understanding and methodology for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP is a multi-agency, multi-resource effort, and its scope includes building the science and information base needed to support conservation planning and implementation, management decisions, and policies. CEAP has three main components; described below: national assessments, watershed assessments, and literature reviews and bibliographies.

Budget. The annual CEAP budget peaked at more than $8.3 million in 2004 and 2007 but since has dropped to around $5 million annually, about the same as initial-year funding (Table 1). The NRCS investment in CEAP, however; has leveraged more than $260 million in contributions from organizations, universities, State agencies, and other Federal agencies (Table 2). In all, more than 60 agencies and organizations are CEAP partners.

[The information follows:]

Table 1. NRCS CEAP expenditures, FY 2003–FY 2015
(Dollars in Thousands)

Fiscal Year	Annual funding
2003	$5,396
2004	8,343
2005	8,000
2006	8,000
2007	8,345
2008	5,754
2009	5,000
2010	4,605
2011	5,105
2012	7,910
2013	4,619
2014	11,637
2015 (est)	10,500***

*** In 2012, agency leadership approved a long-term work plan that projects CEAP support costs for the next 7 years. This plan is predicated upon agency funding available to carry out these long-term plans and projects a funding level need of $10.5 million for FY 2015. This funding

increase is required to support data collection costs for updating the original cropland farmer survey conducted in the 2003 to 2006 timeframe, expand modeling efforts to include grazing lands, and to modify current CEAP modeling programs to represent conservation effects on wetlands and wildlife habitat on private working agricultural landscapes. The new farmer survey will document conservation implementation progress and the associated environmental gains and impacts of conservation adoption since the timeframe of the initial survey. These surveys capture the individual efforts by the landowners at their expense, along with those conservation practices supported by local, State, and Federal conservation programs.

Table 2. Leveraged investments in CEAP, FY 2003–FY 2014
(Dollars in Thousands)

Agency	FY 2003-FY 2013	FY 2014 Est*	12-yr. Total
National Agricultural Statistics Servic	$600	-	$600
Agricultural Research Service	207,882	$20,000	227,882
National Institute for Food and Agriculture	9,675	-	9,675
Farm Service Agency	970	100	1,070
U.S. Geological Survey	8,490	1,000	9,490
Others	12,610	1,000	13,610
Total			262,327

* 2014 investment estimates are based on 2013 contribution levels

Future CEAP resources will be used to gather data to expand application of the Agricultural Policy Environmental Extender (APEX) field-level model to estimate conservation practice effects on croplands, wetlands, wildlife, and grazing lands so as to more accurately model the complex agricultural landscape to include the interaction of the variety of practices that co-occur on the land. We will refresh our practice information so we can better estimate the effects of conservation on natural resource concerns and improve our ability to make informed, effective conservation and management decisions. We also plan to support the modeling and estimation of conservation effects at smaller watershed scales to improve decision making for policies and programs.

CEAP-Cropland National Assessment. NRCS and its partners in ARS and Texas A&M University are preparing a series of reports on the effects of conservation practices on cropland that eventually will cover the 48 conterminous States. To date, seven baseline reports in this series have been released, the Upper Mississippi River Basin, the Chesapeake Bay Region, the Great Lakes Region, the Ohio-Tennessee River Basin, the Missouri River Basin, the Arkansas-White-Red River Basin, the Lower Mississippi River Basin. The draft versions of the Pacific Northwest and South Atlantic Gulf Region are ready for agency approval and release. The Souris Red River, Texas Gulf and Delaware River reports have been completed and are currently being readied for internal agency review and clearance processes as well as an external scientific peer review.

The reports are based on computer simulations of conditions as of 2003–2006 compared to conditions that would be expected if no conservation practices were in place. The simulations are based on data on farming and conservation practices in use during the same period collected through interviews with farmers utilizing a 32 page survey questionnaire conducted for the agency by the National Agricultural Statistics Service (NASS) and reviews of NRCS field office records. The National Resources Inventory (NRI) provides additional data and the statistical basis for the

application of sophisticated modeling approaches, processes, and the production of regional estimates and findings.

These baseline studies not only provide estimates of the effects of conservation practices in place on the landscape for the study timeframe but also help us determine treatment needs on cropped acres and estimate potential further gains from additional conservation treatments. The estimation process is consistent in each study area to allow comparison of findings across all regions.

Commonalities across all of the studies completed to date include: (1) the voluntary, incentives-based approach is achieving results. Farmers have done and are continuing to do a good job of conservation on agricultural land, especially in controlling erosion and also in reducing nutrient losses from cropland. (2) Despite the gains, we have opportunities to make even more progress, especially in the nutrient management arena. (3) Suites of practices are needed to manage complex nutrient loss pathways. No single practice or single combination of practices will be equally effective everywhere. (4) Targeting the most critical/vulnerable and environmentally sensitive acres delivers the greatest benefit for the conservation investment.

There are regional differences among the completed studies. The most significant conservation treatment need on agricultural land in the Upper Mississippi River Basin, the Chesapeake Bay Region, and the Great Lakes Region is the loss of soluble nitrogen through leaching and tile drainage. The Great Lakes also have a very significant treatment need to reduce the loss of soluble phosphorus from runoff and tile drains. The greatest need in the Ohio-Tennessee River Basin is the loss of phosphorus from cropland. Wind erosion in the western portion of the Missouri Basin and the Arkansas-White-Red River basin and nutrient management (nitrogen and phosphorus primarily) in the eastern portion of the Missouri Basin are important conservation concerns. The Lower Mississippi River Basin suffers higher sediment losses, surface and subsurface nitrogen losses, and phosphorus losses than do any of the other regions in the Mississippi River drainage (the Upper Mississippi, Ohio-Tennessee, Missouri, and Arkansas-White-Red River Basins).

The next generation of CEAP studies on cropland is being conducted at a smaller scale to focus on more localized priorities and explore the potential applications of refreshed NASS surveys. Analysis of the Chesapeake Bay Watershed revisit was just published in December 2013 based on a data collection effort on farming and conservation practices in use in the Chesapeake Bay Watershed in a 2011 survey based on the same NRI sampling framework used in the 2003-2006 baseline survey. The resurvey of the Chesapeake Bay region, in conjunction with the baseline 2003-2006 survey data, documents changes in conservation practice adoption and agricultural practices between the two survey periods. CEAP analysis demonstrated numerous conservation gains in the region, including a reduction in soil erosion rates by 57 percent, a reduction in edge-of-field sediment losses by 62 percent, a 50 percent reduction in the average rate of soil carbon loss, a 22 percent reduction in edge-of-field nitrogen loss, and a 45 percent reduction in edge-of-field phosphorus loss. The resurvey allowed CEAP to elucidate conservation successes, such as cover crop adoption, which expanded from being in use on only 12 percent of acres in 2003-2006 to being in use on 52 percent of acres in 2011. Similarly, the resurvey allowed CEAP to identify areas where continued conservation focus is required, including the need for focus on comprehensive conservation planning that incorporate the ACT approach (Avoid excess nutrients and tillage, Control losses from fields, Trap nutrients and sediment at the edge of the field). CEAP results suggest that 46 percent of cultivated cropland acres in the Chesapeake Bay region could benefit from additional conservation practice adoption.

In addition, we have completed expanded data collection efforts for two special study areas (revisit surveys) for the western Lake Erie basin and the Des Moines River watershed/basin. Similar to the Chesapeake Bay region refresh, these reports will update findings from the 2003-2006 survey. Release of these reports is anticipated to occur in 2014. Surveys have also been conducted and are currently being analyzed in a study associated with agriculture in the California Bay-Delta area. These studies are intended to provide data at a much smaller scale than the current national assessment and to improve our understanding of limitations related to our statistical sampling approach and the scale at which we can provide results.

New tools and analyses. The CEAP-Cropland studies have provided additional benefits in the form of tools for decision support and direct assistance to landowners. For example, the cropland modeling team has developed an optimization model that incorporates practice costs and evaluates alternative approaches for setting conservation priorities that can potentially maximize the benefits of conservation investments. New tools developed as a result of CEAP modeling are being incorporated into the NRCS Conservation Delivery Streamlining Initiative (CDSI) to help field offices provide faster, better technical assistance to landowners.

Another tool, the CEAP Conservation Benefits Identifier (CCBI) geospatial data layer is an attempt to translate core CEAP-Cropland report findings related to nutrient management needs into actionable information for agency landscape planning and program delivery at the field level. The CEAP Soil Vulnerability Layer is another national geospatial layer that classifies soils in the CEAP reports from model runs using APEX, and allows environmentally sensitive/vulnerable soils to be located across the landscape. The National Soil Vulnerability Layer has been used in several regional initiatives, including the Chesapeake Bay Watershed Initiative and the National Water Quality Initiative. Primary modeling APEX tool development to support the CDSI effort is continuing and the CCBI tool is being used/tested in several State locations now.

CEAP-Watershed Studies. USDA initiated a series of CEAP watershed studies to provide in-depth analysis and quantification of the measurable effects of conservation practices at the watershed scale, and to enhance our understanding of the effects of conservation in the biophysical setting of a watershed. There were 42 watershed studies in total: 17 Competitive Grants Watersheds supported by the National Institute of Food and Agriculture (NIFA) in partnership with the Natural Resources Conservation Service (NRCS), 14 Benchmark Watersheds conducted by the Agricultural Research Service (ARS - a continuing long-term effort), and 11 Special Emphasis Watersheds (SEW's) supported by the NRCS.

A book synthesizing lessons learned from the NIFA CEAP Watershed Studies on croplands was published last year ("How to Build Better Agricultural Conservation Programs to Protect Water Quality: The National Institute of Food and Agriculture–Conservation Effects Assessment Project Experience" edited by Deanna L. Osmond, Donald W. Meals, Dana LK. Hoag, and Mazdak Arabi, 2012, 387 pages, hardcover and free online access). The synthesis study team, led at North Carolina State University, also published numerous CEAP fact sheets and summary papers to highlight key findings, which are available for download from the CEAP website. Outreach to translate the science into practice has been carried out for legislators, policy officials, agencies, conservationists, watershed groups, and producer groups. A presentation for producer groups called, "Steps to Citizen-based Watershed Planning: A Presentation for Watershed Planners" (November 2012; PPT) was also made available on the NRCS CEAP website to help improve the effectiveness of conservation efforts with private landowners. Efforts are underway within NRCS to apply the findings of this effort to improve conservation program design and delivery for greater effect. A special issue of a peer-reviewed journal (Journal of Environmental Quality) is also in review for publication in 2014 to share findings with scientists.

Work on the ARS watershed studies continues with new priorities under the agency's 5-year action plan. A special symposium was held to inform conservationists at the 2012 Soil and Water Conservation Society Annual Meeting, which featured key findings and conservation insights on sedimentation, water quality and nutrients, climate impacts, modeling approaches, and soil quality. ARS and NRCS are planning a special issue of the Journal of Soil and Water Conservation that summarizes findings from this work. Multiple CEAP Conservation Insights are in progress and others are planned for development in 2014.

<u>CEAP-Wetlands Studies</u>. CEAP-Wetlands studies were planned to evaluate the effects of wetland conservation practices and programs by quantifying ecosystem services (e.g. water quality, flood control, biodiversity) for major wetland types. Ecosystem services are "the benefits people obtain from ecosystems." The CEAP-Wetlands studies seek to improve our understanding of wetlands in agricultural landscapes so that we can provide farmers and ranchers with better advice on how to improve and conserve these vital areas.

Five regional investigations are ongoing: (1) Prairie Pothole Region, (2) Mississippi Alluvial Valley, (3) The High Plains, (4) California Central Valley and Upper Klamath River Basin, and (5) Mid-Atlantic Rolling Coastal Plain and Coastal Flats. Data collection and model development for the major wetland types in each region are focused on the following wetland ecosystem services: floodwater storage, habitat quality, pollinators, biotic conservation and sustainability, erosion and sedimentation, nutrient fate and transport, carbon sequestration, and greenhouse gas emissions.

During the next 5 years, the CEAP-Wetlands National Assessment will focus on:

(1) developing CEAP-Wetlands modeling that provides NRCS with the capacity to simulate and forecast changes in wetland functions or ecosystem services provided by wetlands and associated lands as a result of conservation practices and programs, land treatments, climate change, and other factors;

(2)calibrating and validating the depressional (prairie potholes, playas) and riverine wetlands algorithms within the Integrated Landscape Model (ILM) linked to the primary CEAP Model APEX and the NRI to improve the statistical reliability of model output at multiple scales and broaden its conservation application; (3)integrating CEAP-Wetlands field data collection methods with the NRI to develop new onsite data collection elements and remote sensing-based protocols that document spatial and temporal changes and effects of wetland conservation practices and programs; (4)linking other CEAP component findings/efforts into the ILM and APEX models to address cumulative practice and program effects across multiple scales; and (5)documenting the effectiveness of conservation practices and working lands treatments within the broader regional study framework to improve modeling results and translating those results to improve on-the-ground conservation.

CEAP Science Notes and Conservation Insights are continuously being developed to highlight findings from various regional assessments. Four project reports were completed in 2013: Integrating CEAP-Wetlands ILM outputs into the National Resource Inventory Framework: a pilot effort in the Great Plains, ILM sub-model algorithm report – models for predicting amphibian presence in the high plains playas, CEAP-Wetlands conceptual model for wetland plant diversity (vegetation quality), and USGS scientific investigations report 2012-5266: a regional classification of the effectiveness of digressional wetlands at mitigating nitrogen transport to surface waters in the North Atlantic coastal plain.

Regional assessments collected field data for major wetland types to assess and model the following wetland ecosystem services: floodwater storage, habitat quality, pollinators, biotic conservation and sustainability, erosion and sedimentation, nutrient fate and transport, carbon sequestration, and greenhouse gas emissions.

CEAP-Wildlife Assessment. Since 2005, the CEAP-Wildlife Component has supported over 35 regional assessments of the effects of conservation practices and programs on various priority aquatic, avian and terrestrial species. These assessments, conducted in partnership with academic, Non-Governmental Organizations, State and Federal agency science partners, have generated more than two dozen technical reports from which we have developed technical notes and guidance documents to help put findings into practice. These findings have documented how USDA programs and practices are benefiting species such as grassland and shrubland birds, native trout, migrating and wintering waterfowl and shorebirds, and other at-risk species while shedding valuable insight on how we can improve conservation practice standards and program delivery.

In recent years, CEAP-Wildlife has increased emphasis on supporting assessments that document target species' response to conservation practice implementation and that provide scientific support for effective program delivery of NRCS wildlife-oriented, landscape-scale special initiatives. For instance, CEAP-Wildlife is providing important science support for the NRCS Sage-Grouse Initiative, Lesser Prairie-Chicken Initiative, and the Golden-Winged Warbler and New England Cottontail aspects of the Working Lands for Wildlife effort.

CEAP-Wildlife is also enhancing the biological aspects of other CEAP component models and products. Specifically, we are working with The Nature Conservancy, ARS, and university partners to link stream fish and macro-invertebrate sample data with CEAP-Cropland modeling tools, beginning with an intensive effort in the Western Lake Erie Basin. This effort will provide the means to integrate biological endpoints into soil and water quality modeling, and thus help us understand and target effective conservation practice implementation with biologically meaningful results. We are also incorporating biodiversity metrics into CEAP-Grazing Lands modeling efforts and plan to integrate findings from various completed and ongoing CEAP-Wildlife regional assessments into the Integrated Landscape Model under development by CEAP-Wetlands.

As we generate valuable products and insights for USDA use, we continue to share results with and solicit input from our partners in the fish and wildlife science and management communities. Through the International Association of Fish and Wildlife Agencies' CEAP Working Group, we are working to link CEAP Wildlife findings with those of the monitoring components of State Wildlife Action Plans, and vice-versa.

Wildlife related CEAP studies have shown: (1) Improved habitat for waterfowl and amphibians is being achieved through wetland restoration with the Wetlands Reserve Program; (2) Improved habitat for grassland birds is being achieved through installation of buffers and grass cover supported by the Conservation Reserve Program; (3) Improved response of shrubland birds to early successional habitat programs; and (4) Increased populations of wild trout following stream restoration efforts.

CEAP-Grazing Lands. Both of the CEAP literature syntheses and companion, standalone Executive Summaries have been completed and distributed nationwide (Rangeland synthesis in 2011; Pastureland and Hayland synthesis in 2012). These literature syntheses are the most

comprehensive collection of information on rangeland and pasture/hayland management in existence. They will serve as "living documents" to be updated as new scientific information becomes available.

The reports are products of a rigorous external review by 40 rangeland scientists and over 30 pastureland scientists of published peer-reviewed scientific literature related to select grazing land conservation practices. NRCS commissioned the reports to evaluate its current efforts to help ranchers implement conservation practices and to guide future efforts. Some of the key findings provided recommendations on how to modify existing conservation practice standards to account for the body of science that supports the key purposes of a given conservation practice. Additional recommendations provided opportunities for the research community to conduct studies that are pertinent to applied management and the implementation of selected suites of conservation practices. Both of the literature syntheses provide opportunities to improve NRCS science and technology, conservation planning protocols and products, and program delivery aspects of selected conservation practices.

Because most erosion prediction models were developed for use on cropland, they are less reliable on rangeland and pasturelands. For this reason, ARS and NRCS scientists and others are developing computer models to predict erosion on these unique landscapes, to include an output indicator of "risk potential" by storm event determined by actual grazing unit conditions. This risk potential can be used to guide conservationists and grazing managers in determining optimal ground conditions to minimize erosion. It will be integrated (to the degree possible) with ecological site description vegetation change models ("state and transition models") as an aid to predict plant community shift(s) when risk potentials are exceeded. This will give the manager a clear understanding of ground conditions to monitor and improve using prescribed grazing and other conservation practices in order to maintain the desired plant community under a given set of observed weather patterns and management practices. The Rangeland Hydrology and Erosion Model (RHEM) and Wind Erosion Model (WEMO) will provide grazing land conservationists with new tools for advising grazing managers how best to control erosion and maintain stability and ecological function of the site. These efforts are key to understanding the causes of the increasingly frequent dust storms and the conservation efforts necessary to reduce their harmful impacts on human health, habitation, and the natural resources of the region.

The CEAP-Grazing Lands effort is also pioneering the techniques required to model resource effects on rangelands, in both environmental and production-related contexts. The addition of scientifically-sound "grazing modules" into APEX will be designed to approximate animal diet selection preferences, daily forage intake changes associated with forage quality, and to model outputs from heterogeneous plant communities, rather than the monoculture of plants found on cropland settings. Incorporation of these tools into APEX will also enable us to simulate habitat quality factors for wildlife species and/or guilds.

Similar to CEAP-Wetlands and CEAP-Wildlife, the CEAP-Grazing Lands component is producing Conservation Insights and Science Notes, aimed at improving NRCS technical assistance and program delivery at the field level. Two Insights and two Science Notes on pastureland conservation topics were written by ARS and NRCS in 2013, to be issued in 2014. CEAP-Grazing Lands also provide support to the NRCS ecological site description development workload throughout the conterminous 48 States, working closely with NRCS and ARS scientists. We are pioneering a scientifically-sound process for grouping ecological sites at a larger scale, using soil, climatic and vegetation characteristics, and will then develop "generalized" State-and-transition models, associated plant species, and typical conservation practices implemented in

specific regions of the country. All of that data will be used to inform the APEX model as we simulate the effects of conservation practices on grazing lands.

Conservation Compliance

Mr. Aderholt: Please provide a summary of NRCS's findings regarding the Chesapeake Bay region related to its work through CEAP.

Response: CEAP provides a scientific basis for estimating environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP has grown into a multi-agency, multi-resource effort. CEAP's scope has expanded to encompass building the science and education base needed to enrich conservation planning, implementation, management decisions, and policies. The Cropland CEAP benchmark and refresh surveys of the Chesapeake Bay Region provide an unprecedented ability to track conservation practice adoption trends, accomplishments, and outstanding needs over time.

Cropland CEAP. Cropland CEAP conducted a national benchmark cropland survey in 2003-2006. In 2011, the Chesapeake Bay region became the first region in the country to be resampled. The two sampling data enable statistically sound identification of emergent trends in agricultural conservation practice adoption, quantification of practice impacts, and evaluation of outstanding conservation needs in the Chesapeake Bay region. The voluntary, incentives-based approach to conservation adoption continues to be effective. During the time between the two surveys, agricultural producers significantly increased their use of conservation measures designed to improve and protect water and soil quality. These voluntary conservation efforts generate substantial natural resource benefits for the producers and the communities of the Chesapeake Bay region.

Information on farming activities and conservation practices was obtained from a confidential farmer survey designed by the National Agricultural Statistics Service, the Farm Services Agency, the NRCS National Resources Inventory, and NRCS field office records. The CEAP assessment is not directly reflective of Federal conservation program benefits, as it also includes impacts of the conservation efforts of local, State, and regional governmental agencies and independent organizations, as well as those of individual landowners and farm operators.

Extensive gains in conservation practice adoption on cropped acres in the Chesapeake Bay region between 2003-2006 and 2011 included:

- structural practice adoption to control water erosion (increased from 52 to 66 percent; Table 1);
- adoption of practices designed to prevent nutrient and sediment runoff losses (increased from 14 to 31 percent);
- conservation tillage adoption (increased from 56 to 79 percent); and
- cover crop adoption (increased from 12 to 52 percent).

Widespread adoption of structural erosion control practices, residue management practices, and reduced tillage practices between 2003-2006 and 2011 reduced runoff losses by slowing the flow of surface water runoff, allowing more sediment and nutrients to remain in the field, and allowing more water to infiltrate into the soil. Concurrently, the dramatic increase in adoption of cover crops and winter annuals decreased leaching losses. However, the effective re-routing of surface water to subsurface flows redirected soluble nitrogen into subsurface flows and

demonstrates the need for consistent Comprehensive Conservation Planning in the Chesapeake Bay region.

Roughly 46 percent of the region's cultivated cropland acres would still benefit from additional conservation treatment for one or more resource concerns through Comprehensive Conservation Planning. In particular, there is opportunity for improvement of nutrient application management, which was relatively unchanged between the two surveys. Consistent application of the 4Rs (right rate, right timing, right method, and right form) of nutrient application management across all crops in a rotation is still a priority need in the region. Additional conservation gains will depend on continued use of current practices and continuing improvement in the application rate, timing, method, and form of nutrients.

The CEAP modeling analyses showed the voluntary adoption of conservation practices between 2003-2006 and 2011 provided the following annual conservation benefits to edge-of-field losses in the Chesapeake Bay region:

- 15.1 million ton reduction in sediment losses (60 percent reduction);
- 48.6 million pound reduction in nitrogen losses (26 percent reduction);and
- 7.1 million pound reduction in phosphorus losses (46 percent reduction).

These significant reductions in edge-of-field losses benefit water quality in streams and rivers in the region. However, nutrient and sediment dynamics at the edge-of-field do not directly or immediately relate to instream loads measured in rivers, streams, and the Bay, all of which may be impacted by storm events, tidal surges, and the legacy of past land use and management.

Structural Practices To Control Water Erosion On Cropped Fields

Structural practice category	Conservation practice in use	Percentage of acres (2003-2006)	Percentage of acres (2011)
Overland flow control practices	Terraces, contour buffer strips, contour farming, stripcropping, contour stripcropping, field border, critical area planting, in-field vegetative barriers	38	45
Concentrated flow control practices	Grassed waterways, grade stabilization structures, diversions, other structures for water control	20	31
Edge-of-field buffering and filtering practices	Riparian forest buffers, riparian herbaceous buffers, filter strips	14	31
One or more water erosion control practices	Overland flow, concentrated flow, or edge-of-field practice	52	66
Two or more water erosion control practices	Overland flow, concentrated flow, or edge-of-field practice	17	33

Wildlife CEAP. Conservation practices that improve water and soil quality by reducing edge-of-field nutrient and sediment losses also provide important habitat benefits to wildlife. The CEAP Wildlife Component supported a University of Maryland assessment of upland bird

response to establishment of conservation practices on agriculturally dominated landscapes in eastern Maryland and Delaware. Herbaceous filter strip establishment and whole-field CRP enrollment provided potential habitat for northern bobwhites and other grassland birds that would otherwise be unavailable in the agricultural landscape. Assessments of benefits of these and other conservation practices for additional wildlife species (e.g., golden-winged warbler) are on-going, results will be available at a later date.

Wetland CEAP. Wetlands in the Chesapeake Bay region support biodiversity, provide wildlife habitat, and provide sediment and nutrient retention benefits to downstream creeks, rivers, and the Chesapeake Bay. A CEAP sponsored study found that depressional wetlands cover 32 percent of the Lower Coastal Plain region of the Chesapeake Bay watershed. These depressional wetlands have a relatively high potential for decreasing nitrogen transport from nonpoint sources. Research is ongoing.

Watershed CEAP. The CEAP supported Choptank River Benchmark Watershed Study has been conducted in partnership with the USDA Agricultural Research Service (ARS) in Maryland since 2004. Their modeling analysis of the Choptank watershed indicated that winter cover crops have the potential to reduce annual nitrate loading at the watershed scale. This analysis informs the cover crop program in Maryland and enables prioritization of more effective cover cropping practices by producers in the state.

An assessment of nitrogen fate within the Choptank River Watershed led to the discovery that MESA, a breakdown product of the commonly used Metolachlor herbicide, has the potential to act as a tracer to identify agriculturally derived nitrate. The widespread use of Metalachlor suggests this technology may be transferable to other watersheds in the region. Use of this CEAP-derived technology has the potential to enhance our ability to better target limited resources for more effective conservation and improved water quality.

The voluntary, incentives-based conservation approach continues to be effective. Historic levels of conservation implementation are achieving unprecedented results in the Chesapeake Bay region. Farmers, ranchers, and forestland owners voluntarily install or adopt conservation practices on their lands as part of a conservation plan, in partnership with USDA's Natural Resources Conservation Service (NRCS), soil and water conservation districts, state agencies, private organizations, and solely on their own initiative. These voluntary and collaborative investments help support agricultural producers and rural economies, protect wildlife habitat, and improve water quality in the Chesapeake Bay region.

Financial Audit Remediation

Mr. Aderholt: Please describe NRCS's efforts to improve its financial management systems. When will the agency achieve a clean audit? What progress has the agency made since its first audit? What goals will be achieved this year? What are the most difficult obstacles to overcome?

Response: NRCS continues to strive to improve its audit position. The -FY 2013 financial audit resulted in four material weaknesses and one significant deficiency. NRCS has been able to reduce the number of material weaknesses while improving its overall financial condition. The Agency continues to make improvements in the areas of accounting for property, plant, and equipment, unfilled customer orders and unliquidated obligations. The improvements in these account balances will position NRCS to improve its ability to achieve an audit opinion.

In addition, the continued remediation efforts related to information technology access controls reduced the finding from a significant deficiency to a management comment.

NRCS has refocused its audit remediation efforts to look at root causes, conduct data analysis, and work collaboratively with the Department and internal NRCS offices. This effort has identified key areas for improvement and ensures corrective actions have the maximum impact achievable. The Agency's goal is to obtain a qualified opinion no later than FY 2015 with a clean opinion to follow shortly thereafter.

The FY 2014 audit is currently underway. The auditors have reviewed mid-year data, visited 11 State offices, and are preparing for yearend testing. Testing based on July and September balances will continue through late October. Final results will be available early November.

Mr. Aderholt: Please update the Committee on any congressionally designated projects that are still active and/or have unobligated balances. Provide a list of the projects, their location and funding allocated to them.

Response: The information is submitted for the record.

[The information follows:]

Congressionally Designated – Active Watershed and Flood Prevention Operations Projects as of August 7, 2014

Authorized Project	Congressional District	Estimated Cost per project	Funding provided by Sponsor	Unobligated Balances
Small Watershed PL-566				
Apache-Junc Gilbert Pwrl	AZ-01,06	$16,101,987	$7,180,000	-
Lahaina Watershed	02-HI	2,421,000	-	-
Lower Hamakua Ditch Watershed	02-HI	10,592,000	5,296,000	-
Waliluka Alenaio Watershed	02-HI	1,257,000	-	-
Upcountry Maui Watershed	02-HI	9,223,000	4,611,500	-
Dupage County	06-IL,14	1,000,000	-	$360,874
Little Otter Creek	06-MO	7,050,000	-	-
Buck and Duck Creeks	01-NE	1,494,295	-	-
Neshaminy Creek	08-PA; 13-PA	75,950,000	46,650,000	-
Attoyac Bayou	01-TX	15,102,894	4,659,000	-
Dunloup Creek	03-WV	12,525,000	-	237,323
Alameda	CA-10,11	2,674,000	-	1,042,758
Dry Creek	CA-04	500,000	-	141,062

Authorized Project	Congressional District	Estimated Cost per project	Funding provided by Sponsor	Unobligated Balances
East Locust CK	MO-06	6,949,100	969,500	-
Elm Creek (1250) site 1A Rev.	TX-17,31	8,799,208	635,000	-
Big Creek (Tri County) sites 16,17,18	TX-17,31	4,738,801	49,000	268,000
Small Watershed PL-534				
Potomac - Lost River	02-WV	37,485,800	3,643,700	10,739,000
Total		213,864,085	73,693,700	12,789,017

Note: Funds remain unobligated for several reasons:

a) Very expensive projects accumulate funds for the project over several years.
b) Local sponsors may have lost their financial ability to continue with the project.
c) Construction projects are multi-year in nature, e.g. design, permitting, obtaining land rights, etc.
d) Upward obligations for cost overruns or unforeseen events during construction.

QUESTIONS SUBMITTED BY CONGRESSMAN TOM LATHAM

Trans-Pacific Partnership Negotiations

Mr. Latham: Mr. Karsting – Thank you for appearing before us today. I would like to address the status of the Trans-Pacific Partnership negotiations. I would like to see those negotiations be successful. Trade is an essential element to improving our economy. The results of those talks could have a substantial impact on the agricultural community. As I know you are aware, there have been issues with Japan regarding some of the trade restrictions they have been reluctant to include in the negotiations. These are of particular concern to the livestock industry. I would like you to address some of the current issues of contention regarding completion of the TPP and get your view on the status of the negotiations from the perspective of the Foreign Agriculture Service. I would also appreciate if you could give your assurance that you will continue to monitor the negotiations to assure that our grain and livestock producers receive a fair deal under the proposed trade proposals. Thank you for your comments.

Response: A TPP agreement that delivers meaningful market access to current and future TPP partners would provide a significant boost to U.S. agricultural exports and the rural economy. U.S. agricultural exports to the eleven TPP partners totaled 61 billion in FY 2013, up 35% from 2009. That figure has significant potential to grow by addressing tariff and non-tariff barriers in the TPP. Moreover, if we do not reach a TPP agreement soon, that figure has potential to decrease if other countries (e.g., the European Union) conclude free trade agreements with our TPP partners, therefore gaining preferential market access, before the United States does.

Tariffs in several TPP partner countries are significant, and in some cases, completely prohibit U.S. goods from entering these markets. For example, commodities including rice, meat, dairy, and processed foods currently face high and often confusingly complex duties in Japan. Japan's average agricultural tariff is 40 percent, while the U.S. average agricultural tariff is less than half that—only 12 percent. U.S. exporters also face high tariffs on agricultural products in Vietnam, a country of 90 million people experiencing high per capita income growth. Reducing these tariffs would allow Vietnamese consumers greater ability to afford high-quality U.S. agricultural products, such as pork, dairy products, fruits and vegetables, and a variety of processed foods.

In addition to boosting U.S. agricultural exports by addressing tariffs in the TPP, the agreement will also address non-tariff barriers. Based on consultations with Congress and the U.S. agricultural industry, the USG is advocating for strong TPP SPS provisions. Such commitments would promote strong regulatory disciplines that would improve transparency and scientific decision-making to provide improved access for U.S. commodities including meat, fresh fruits and vegetables, and processed foods currently facing restrictive SPS barriers in Australia, Chile, Peru, and other TPP countries.

The dollar value of the benefits of a TPP agreement will hinge on how rapidly tariffs fall and non-tariff barriers are dismantled, clearing the way for increases in U.S. agricultural exports. A delay in implementation of the agreement, opening the door for competitors to pursue and complete deals of their own with TPP partners, will also affect potential market access gains for U.S. agricultural producers.

QUESTIONS SUBMITTED BY CONGRESSWOMAN ROSA DELAURO

Crop Insurance

Ms. DeLauro: Thank you for your testimony, Administrator Willis. In that testimony you regarding the Federal Crop Insurance you state that the "program is vibrant and strong and continues to be a critical part of our nation's farm safety net... However, the Administration believes that the program can be modified to reduce the burden on taxpayers while helping to ensure that crop insurance remains a significant part of the safety net for producers." I was pleased that the Administration's budget request includes some reforms to this program. While states scramble to fill the hunger gap created by the Farm Bill, farmers have been made whole through new crop insurance provisions.

As you know the 2014 Farm Bill retained loopholes for multi-million-dollar farming entities – loopholes that were closed in Section 1604 of both the House and Senate versions of the Farm Bill but signed into law regardless. How do you propose modifying the program to reduce the substantial amount of taxpayer dollars spent on this program? Please provide details on how you will achieve savings through the "...five significant Federal crop insurance policy changes that will result in a savings of $692 million in the FCIC budget in 2015 and about $14 billion over 10 years." What is the error rate for payments made in through the crop insurance program? Do you expect these reforms to reduce producer enrollment in the program or the companies that offer crop insurance policies? Who receives crop insurance premiums subsidies? What percentage of crop insurance premium subsidies went to the largest 1% of agribusinesses? Can you discuss USDA projections for the cost of crop insurance in 2014 based on weather and the agriculture economy? What is the percentage of premiums paid compared to administrative costs?

Response: As outlined in the President's Budget Proposal for Fiscal Year 2015, program savings can be achieved by reducing the rate of return for crop insurance companies, reducing premium subsidies to farmers for certain policies, and rescinding the authority to conduct a pilot program for wild salmon.

The following five policy changes, have been proposed, which would result in savings.

1. Establish a reasonable rate of return to participating crop insurance companies

- A USDA commissioned study found that when compared to other private companies, crop insurance companies rate of return (ROR) should be around 12 percent, but that it is currently expected to be 14 percent. The Administration is proposing to lower the crop insurance companies' ROR to meet the 12 percent target. This proposal is expected to save about $1.2 billion over 10 years.

2. Reduce the reimbursable rate of administrative and operating expenses

- The current cap on administrative expenses to be paid to participating crop insurance companies is based on the 2010 premiums, which were among the highest ever. A more appropriate level for the cap would be based on 2006 premiums, neutralizing the spike in commodity prices over the last few years, but not harming the delivery system. The Administration, therefore, proposes setting the cap at $0.9 billion adjusted annually for inflation. This proposal is expected to save about $2.9 billion over 10 years.

3. Decrease the premium subsidy paid on behalf of producers by 3 percentage points

- The proposal would reduce the premium subsidy levels by 3 percentage points for those policies that are currently subsidized by more than 50 percent. This proposal is expected to save about $3.8 billion over 10 years.

4. Decrease the premium subsidy paid on behalf of producers by 4 percentage points on policies where the producer elects policies that provide protection against price increase

- This reduction is in addition to the 3 percentage point reduction on policies currently subsidized by more than 50 percent. These policies provide upward price protection which provides a higher indemnity if the commodity prices are higher at harvest time than when the policy was purchased. This proposal is expected to save about $6.3 billion over 10 years.

5. Rescind the authority for funding a pilot program for wild Salmon

- This proposal would rescind the authority for the funding of wild salmon pursuant to Section 523(a) of the Federal Crop Insurance Act. This proposal is expected to save about $10 million over 10 years.

With regard to error rates for payments through the crop insurance program, RMA improper payments results for fiscal year (FY) 2013 were 5.23% (USDA Average were 5.36%). The improper payment rate number is derived from the random sampling of policies and can be attributed to verification errors by the companies and certification errors by policyholders. The 5.23% is based on the sampling done on a rolling average over three crop years. The current rate comes from crop years 2009, 2010, and 2011.

RMA does not anticipate that these reforms will reduce producer enrollment or impact the number of companies that offer crop insurance.

The premium subsidy is a benefit received by the producer. However, the producer does not receive a check for the subsidy. Rather, a portion of the risk premium that the government pays is credited to the producer by the Federal Crop Insurance Corporation and reflected on accounting transaction reports between the approved insurance provider and RMA in computing the total premium, i.e. the producer paid premium and government provided risk premium. In essence, while the producer does not directly receive any money, the amount of premium they are required to pay is reduced due to the government subsidy.

RMA does not have records of "agribusinesses" in its systems of records. Rather, crop insurance policies are sold to "entities" who are eligible and have an insurable interest in the agricultural commodity. For the 2013 reinsurance year, the largest 1 percent of entities insured, based on total subsidy received, accounted for 16 percent of the total program subsidy. A breakdown for the last three years as follows:

FY	Percent of Subsidy
2011	15.24
2012	15.63
2013	16.29

There are three components to the cost of the crop insurance program – premium subsidy, Administrative and Operating (A&O) subsidy paid to insurance companies, and underwriting gains paid to insurance companies. Premium subsidy is projected to be approximately $6.4 billion for 2014, and the A&O subsidy is projected to be around $1.4 billion. Underwriting gains are difficult to project at this time. For the major insured crops, weather has been very favorable, resulting in above-average expected yields and below-average expected price. The net effect on producer revenue and underwriting gains paid to insurance companies is expected to be positive (i.e. loss ratio below 1.00).

For FY 2013, total premium was approximately $11.8 billion and administrative and operating reimbursement was approximately $1.3 billion. Therefore, administrative and operating reimbursement was approximately 11 percent of total premium.

Agricultural Exports to Korea

Ms. DeLauro: In your testimony, you claim that agricultural exports to South Korea and Colombia in FY 2013 reached $7.3 billion, supporting almost 50,000 American jobs. With regard to Korea, you testify that U.S. agricultural exports to Korea exceeded $5.2 billion in FY 2013. Rather than looking at our overall trade balance, these figures look solely at exports.

Since the KORUS took effect in 2012, however, meat exports to Korea have significantly declined, rather than increased as proponents of the agreement suggested would occur when it was enacted. According to one analysis of U.S. International Trade Commission data, compared with the exports that would have been achieved at the average monthly level prior to KORUS, U.S. meat producers lost $442 million in poultry, pork and beef exports to Korea in the first 22 months of the agreement. Korea Customs Service data also shows a sharp decline of roughly $334 million in U.S. beef exports to Korea in the last two years.

Please provide data on the overall trade balance with Korea in agriculture since the U.S.-Korea Free Trade Agreement was enacted in 2012 and details on where the data derives from.

Please provide by agriculture sector details on the trade balance with Korea and Colombia since those two Free Trade Agreements were enacted and a description of the impact it has had on agriculture-related jobs.

Please provide the Foreign Agriculture Service analysis of the impact the potential Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (T-TIP) agreements will likely have on the U.S. trade balance in agriculture products per sector per country involved in the negotiations as well as the projected impact these agreements will have on U.S. jobs.

Response: In order to accurately assess the impact of KORUS for U.S. exporters of beef, the dynamics of Korea's domestic production must be considered. In 2010 and into 2011, Korea experienced its worst outbreak of foot and mouth disease (FMD). The nation's two largest livestock producing provinces were affected the most (Kyeongsangbuk-do and Gyeongi-do). The Ministry of Food, Agriculture, Forestry & Fisheries culled and buried cattle and pigs on all affected farms, and also animals within a 500m radius as a pre-emptive measure. FMD-affected farms were required to wait 2-3 months after control measures were lifted before restocking. In response to the domestic production shortfall created by the outbreak, Korean beef imports rose sharply. Korean beef imports soared from 218,000 MT valued at $826 million in FY 2009, to over 305,000 MT valued at nearly $1.5 billion by FY 2011. U.S. producers contributed significantly toward meeting Korea's rising import demand. U.S. beef exports to Korea more

than doubled from less than 61,000 MT to nearly 150,000 MT from FY 2009 to FY 2011, resulting in a rise of export values by nearly 150 percent from $269 million to $662 million. As the Korean herds rebounded and production resumed to more normal levels, the Korean demand for imported beef also fell. Once again this is borne out in the trade data, as Korean beef import volumes fell from 305,000 MT in 2011 to 264,000 MT in 2013. Similarly, U.S. exports of beef to Korea fell from nearly 150,000 MT in FY 2011 to 108,000 MT by FY 2013. Thus, in order to more accurately assess the impact of KORUS on U.S. beef exports, a pre-FMD base of FY 2009 serves as a better point of comparison. U.S. beef exports to Korea have increased 78 percent by volume and over 110 percent by value from FY 2009 to FY 2013.

While the impact of Korea's FMD outbreak was significant, the single largest factor affecting total U.S. agricultural exports to Korea since FY 2012 was the impact of drought in the summer of 2012, which reduced exportable supplies of corn through FY 2013. U.S. corn exports globally fell from 45 million metric tons (MMT) in FY 2011 down to 18 MMT in FY 2013. U.S. exports of corn to Korea accounted for over 26 percent of all U.S. agricultural exports to Korea and were valued at $1.8 billion in FY 2011. In FY 2013, U.S. corn exports to Korea were just over $100 million, accounting for less than 2 percent of overall U.S. agricultural exports to Korea. Couple the impact of drought stricken corn supplies and market affects associated with Korea's FMD outbreak, and a fall in overall U.S. agricultural exports was inevitable. However, in FY 2014 as market conditions have stabilized, U.S. agricultural exports to Korea have rebounded. U.S. agricultural exports to Korea have increased 28 percent from October through June 2014 compared to the same time period on year ago. Exports of corn are up nearly 700 percent by value to over $781 million. Beef exports from October –June 2014 are up 34 percent by value over the same time period one year ago. Overall consumer-oriented product exports are up nearly 20 percent, reaching $2.6 billion, and are on pace for a new record due in part to tariff reductions from KORUS.

Exports to Colombia this fiscal year are booming (over $1.8 billion) and have already set a new fiscal year record with three more months remaining in the fiscal year. A rebound in corn shipments and significant growth in exports of consumer-oriented products are leading the way. The tariff reductions resulting from the Colombia Trade Promotion Agreement (PTA) are turning what was a perennial trade deficit with Colombia into an agricultural trade surplus.

Year-to-year changes in exports do not significantly influence employment activity. It is the longer term trends that matter. As tariff reductions continue as a result of KORUS and the Colombia PTA, U.S. agricultural exports will continue to grow supporting more U.S. jobs into the future.

All U.S. export data is based on U.S. Census Bureau Trade Data from the Global Agricultural Trade System. Korean import data is sourced from the Korea Customs and Trade Development Institution as consolidated by the Global Trade Information Services. Information about Korea's FMD outbreak can be found in the December, 21, 2010 GAIN report "Korea Battling its Largest Outbreak of FMD". The four BICO trade reports on U.S. exports and imports with Korea and Colombia have been supplied to provide by agriculture sector details on the trade balances.

A TPP agreement that delivers meaningful market access to current and future TPP partners would provide a significant boost to U.S. agricultural exports and the rural economy. U.S. agricultural exports to the eleven TPP partners totaled 61 billion in FY2013, up 35% from 2009. That figure has significant potential to grow by addressing tariff and non-tariff barriers in the TPP. Moreover, if we do not reach a TPP agreement soon, that figure has potential to decrease if

other countries (e.g., the European Union) conclude free trade agreements with our TPP partners, therefore gaining preferential market access, before the United States does.

Tariffs in several TPP partner countries are significant, and in some cases, completely prohibit U.S. goods from entering these markets. For example, commodities including rice, meat, dairy, and processed foods currently face high and often confusingly complex duties in Japan. Japan's average agricultural tariff is 40 percent, while the U.S. average agricultural tariff is less than half that—only 12 percent. U.S. exporters also face high tariffs on agricultural products in Vietnam, a country of 90 million people experiencing high per capita income growth. Reducing these tariffs would allow Vietnamese consumers greater ability to afford high-quality U.S. agricultural products, such as pork, dairy products, fruits and vegetables, and a variety of processed foods.

In addition to boosting U.S. agricultural exports by addressing tariffs in the TPP, the agreement will also address non-tariff barriers. Based on consultations with Congress and the U.S. agricultural industry, the USG is advocating for strong TPP SPS provisions. Such commitments would promote strong regulatory disciplines that would improve transparency and scientific decision-making to provide improved access for U.S. commodities including meat, fresh fruits and vegetables, and processed foods currently facing restrictive SPS barriers in Australia, Chile, Peru, and other TPP countries.

The dollar value of the benefits of a TPP agreement will hinge on how rapidly tariffs fall and non-tariff barriers are dismantled, clearing the way for increases in U.S. agricultural exports. A delay in implementation of the agreement, opening the door for competitors to pursue and complete deals of their own with TPP partners, will also affect potential market access gains for U.S. agricultural producers. The information is submitted for the record.

[The information follows:]

QFR – FFAS 184

United States Department of Agriculture — Foreign Agricultural Service

U.S. Exports of Agricultural & Related Products to *Colombia*
FY 2009 - 2013 and Year-to-Date Comparisons
(In millions of dollars+)

Export Market: *Colombia*

Product	Fiscal Years (Oct-Sept) 2009	2010	2011	2012	2013	October - June Comparisons 2013	2014	%Chg
Bulk Total	613.0	478.5	646.6	300.1	570.1	449.1	1,045.0	132.7
Wheat	171.0	147.8	249.3	105.5	253.5	178.8	161.3	-9.8
Corn	267.0	160.5	167.4	68.0	59.5	41.7	676.5*	1523.2
Coarse Grains (ex. corn)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Rice	25.0	5.8	3.1	3.5	95.0*	94.2	84.8	-10.0
Soybeans	80.0	80.4	61.1	61.1	84.7	79.3	73.2	-7.8
Oilseeds (ex. soybean)	1.0	0.2	0.2	0.2	0.2	0.1	0.1	4.2
Cotton	65.0	82.4	159.0*	55.6	67.5	46.3	40.2	-13.1
Pulses	4.0	6.8	10.5	2.2	7.0	6.6	5.4	-16.2
Tobacco	0.0	0.5	0.0	0.0	0.1	0.0	0.0	-
Other Bulk Commodities	2.0	4.0	6.0*	4.1	2.6	2.2	3.3	47.6
Intermediate Total	200.0	194.1	367.5	259.5	452.1*	376.5	405.7	7.8
Soybean Meal	38.0	23.5	69.8	31.8	176.5*	173.4	168.9	-2.6
Soybean Oil	1.0	1.9	93.6*	16.7	40.0	37.1	54.6	47.1
Vegetable Oils (ex. soybean)	12.0	12.7	14.1	13.8	12.9	9.8	9.4	-4.0
Animal Fats	6.0	9.2	11.2	9.2	4.5	2.4	5.3	124.1
Live Animals	5.0	1.8	1.1	1.0	1.2	1.2	1.4	23.9
Hides & Skins	0.0	0.1	0.0	0.0	0.1	0.1	0.6	851.3
Hay	0.0	0.0	0.0	0.0	0.0	0.0	0.1*	-
Distillers Grains	7.0	14.4	20.7	18.4	33.7*	25.3	20.4	-19.6
Feeds & Fodders NESOI	52.0	42.2	49.2	57.4	77.5	50.5	61.5	21.8
Planting Seeds	11.0	10.4	14.6	20.2*	14.7	11.0	14.7	34.0
Sugar, Sweeteners, Bev. Bases	7.0	5.3	8.4	14.3*	12.1	8.6	9.7	12.7
Other Intermediate Products	62.0	72.6	74.6	76.6	78.5*	57.0	59.0	3.4
Consumer Oriented Total	141.0	157.6	194.3	286.7	396.8*	287.1	384.7	34.0
Beef & Beef Products	1.0	1.2	4.4	2.4	7.9	5.0	9.6*	91.3
Pork & Pork Products	14.0	14.2	24.4	47.4	75.5	54.5	101.4*	86.1
Poultry Meat & Prods. (ex. eggs)	19.0	20.9	20.9	29.9	45.3*	33.0	32.6	-1.4
Meat Products NESOI	0.0	0.7	0.4	0.5	0.9	0.6	1.2	99.6
Eggs & Products	0.0	0.4	0.4	0.9	0.8	0.4	0.7	64.0
Dairy Products	6.0	5.1	7.8	16.6	27.7*	21.4	26.9	26.1
Fresh Fruit	16.0	25.2	20.7	35.0	36.5*	27.2	23.5	-13.3
Processed Fruit	1.0	1.4	2.1	3.2	4.0	3.4	5.0*	47.5
Fresh Vegetables	0.0	0.6	0.4	0.3	0.1	0.1	0.2	67.3
Processed Vegetables	5.0	5.9	8.9	11.3	24.5*	18.7	17.3	-7.6
Fruit & Vegetable Juices	4.0	4.7	4.0	6.3	7.9*	5.7	7.2	25.7
Tree Nuts	2.0	3.0	5.0	4.9	10.2	7.4	12.1*	63.6
Chocolate & Cocoa Products	14.0	11.4	16.5	16.9	17.8*	12.9	14.4	11.0
Snack Foods NESOI	13.0	7.3	7.7	12.4	16.5*	12.2	11.4	-6.9
Breakfast Cereals	1.0	0.7	0.7	1.1	1.8	1.3	2.0	49.3
Condiments & Sauces	2.0	2.4	3.7	7.0	11.7*	8.8	6.8	-23.5
Prepared Food	31.0	37.4	42.2	54.4	66.3	45.4	75.0*	64.9
Wine & Beer	3.0	3.4	4.9	9.2*	6.9	4.7	7.4	58.2
Non-Alcoholic Bev. (ex. juices)	5.0	6.6	10.0	14.0	19.2*	15.1	18.0	19.3
Dog & Cat Food	2.0	3.5	6.3	7.0	8.7	6.4	9.8*	52.7
Other Consumer Oriented	2.0	1.7	3.0	5.3*	3.1	2.5	2.5	-
Agricultural Related Products	18.0	16.9	17.0	22.0	25.7	16.3	35.0*	114.6
Distilled Spirits	1.0	0.8	1.3	2.1	2.4*	1.5	1.5	3.0
Ethanol (non-bev.)	0.0	0.2	0.3	0.3	3.3	0.2	16.1*	8676.2
Biodiesel & Blends > B30	0.0	0.0	0.0	0.0*	0.0	0.0	0.0	-
Forest Products	14.0*	11.0	8.5	13.2	11.0	8.9	10.3	15.9
Fish Products	4.0	5.0	7.0	6.3	8.0*	5.8	7.1	22.3
Agricultural Products	955.0	830.1	1,198.4	845.8	1,418.0	1,112.7	1,835.4*	65.0
Agricultural & Related Products	973.0	847.0	1,215.4	867.3	1,443.6	1,129.0	1,870.4*	65.7

Prepared By: Global Policy Analysis Division/OGA/FAS/USDA   * Denote Highest Export Levels Since at Least FY 1970   www.fas.usda.gov/GATS
Source: U.S. Census Bureau Trade Data   +Values of $0.05 million or more are rounded to $0.1 million   GATSHelp@fas.usda.gov
Biodiesel aggregate includes only higher-level and pure biodiesel HTS chapter 38 codes; biodiesel blends below 30% by volume (aka. petroleum oils containing biodiesel) found in chapter 27 are excluded.

QFR – FFAS 184

United States Department of Agriculture

U.S. Imports of Agricultural & Related Products from *Colombia*
FY 2009 - 2013 and Year-to-Date Comparisons
(In millions of dollars+)

Import Supplier: *Colombia*

Product	Fiscal Years (Oct-Sept) 2009	2010	2011	2012	2013	October - June Comparisons 2013	2014	%Chg
Bulk Total	781.0	705.3	1,176.8*	1,067.6	852.7	629.7	779.7	23.8
Wheat	0.0*	0.0	0.0	0.0	0.0	0.0	0.0	-
Coarse Grains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Tobacco	4.0	1.0	0.8	0.7	1.9	0.9	1.8	102.8
Rubber & Allied Products	0.0	0.2	0.0	0.1	0.0	0.0	0.0	-
Coffee, Unroasted	756.0	639.0	1,163.6*	1,038.0	826.2	616.5	760.4	23.3
Cocoa Beans	0.0	4.2	1.2	0.6	2.0	1.5	0.5	-68.8
Tea, Incl Herb	0.0	0.5*	0.2	0.2	0.2	0.2	0.2	28.1
Raw Beet & Cane Sugar	21.0	59.6	9.9	19.9	19.7	11.1	16.0	43.9
Other Bulk Commodities	1.0	0.8	0.8	1.1	0.7	0.6	0.6	16.0
Intermediate Total	66.0	71.7	70.7	84.0*	80.5	59.0	66.9	16.9
Tropical Oils	8.0	5.7	6.2	6.1	4.8	3.1	4.6	47.5
Other Vegetable Oils	1.0	0.9	0.3	0.1	0.1	0.1	0.0	-16.7
Feeds & Fodders	0.0	0.0	0.4	0.1	0.5*	0.3	0.3	2.2
Live Animals	0.0	0.6	0.1	0.1	0.3	0.3	0.1	-58.6
Hides & Skins	1.0	0.3	0.2	0.2	0.1	0.1	0.0	-50.6
Planting Seeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-40.0
Sugars, Sweeteners, Bev Bases.	5.0	8.6	4.6	24.3*	14.8	11.9	12.1	1.7
Essential Oils	1.0	0.7	0.2	0.1	0.1	0.1	0.1	52.3
Cocoa Paste & Cocoa Butter	6.0	6.7	3.4	1.8	3.2	2.1	6.8	215.8
Other Intermediate Products	45.0	50.2	65.4	51.2	56.5*	41.0	44.8	9.3
Consumer-Oriented	924.0	1,074.7	1,095.7	1,164.4	1,209.0*	952.7	909.4	-4.5
Snack Foods	56.0	61.4	58.1	65.8	68.6*	48.2	48.4	0.3
Red Meats, FR/CH/FR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Red Meats, Prep/Pres	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Cheese	1.0	0.7	0.6	1.0	1.2	1.0	0.8	-16.4
Other Dairy Products	4.0	3.3	6.9*	6.1	3.8	3.7	2.9	-21.3
Bananas and Plantains	229.0	265.5*	223.7	226.7	281.4	196.0	169.4	-14.4
Other Fresh Fruit	0.0	1.9	1.8	1.9	1.9	1.2	7.2*	487.8
Fresh Vegetables	5.0	2.9	2.2	2.2	3.7	3.2	4.4	39.8
Processed Fruit & Vegetables	31.0	30.1	32.7*	28.2	29.4	21.1	22.8	7.8
Fruit & Vegetable Juices	2.0	2.3	2.6	1.1	1.0	0.8	0.8	-3.8
Tree Nuts	0.0	0.2	0.2	0.2	0.1	0.1	0.1	-25.8
Wine and Beer	0.0	0.3	0.5*	0.3	0.4	0.2	0.2	33.0
Nursery Products	509.0	550.2	564.1	643.6	669.6*	549.4	548.1	-0.2
Roasted & Instant Coffee	70.0	134.2	165.6*	148.1	130.2	97.6	74.6	-23.6
Spices	8.0	9.6	11.4	10.7	14.3*	10.5	13.4	27.6
Other Consumer Oriented	10.0	12.1	25.4	29.5*	23.2	17.8	18.4	-8.1
Forest Products	5.0	3.7	2.5	2.7	2.1	1.8	2.0	15.0
Logs and Chips	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Hardwood Lumber	0.0	0.2	0.2	0.3	0.6	0.5	0.5	4.7
Softwood and Treated Lumber	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-
Panel Products (Incl Plywood)	1.0	0.6	0.2	0.3	0.2	0.2	0.0	-86.9
Other Value-Added Wood Prod	3.0	2.9	2.1	2.1	1.4	1.1	1.4	26.9
Seafood Products	33.0	58.8	65.5	107.5	108.0*	81.0	57.3	-29.3
Shrimp	8.0	6.0	6.2	3.9	0.7	0.2	0.2	-0.8
Tuna	1.0	24.1	25.7	61.4	62.9*	46.5	21.7	-53.3
Lobster	3.0	2.4	4.4	2.7	3.0	3.7	2.6	-30.4
Salmon Whole or Eviscerated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Edible Fish & Seafood	21.0	25.4	29.2	39.5	41.6*	30.5	32.8	7.3
Agricultural Products	1,771.0	1,851.6	2,343.2*	2,336.0	2,142.2	1,641.5	1,758.0	7.1
Ag, Fish & Forest Prods	1,809.0	1,914.1	2,411.2	2,446.2*	2,253.2	1,724.2	1,817.3	5.4

Prepared By: Global Policy Analysis Division/OGA/FAS/USDA * Denote Highest Import Levels Since at Least FY 1970 www.fas.usda.gov/GATS
Source: U.S. Census Bureau Trade Data +Values of $0.05 million or more are rounded to $0.1 million GATSHelp@fas.usda.gov
Biodiesel aggregate includes only higher-level and pure biodiesel HTS chapter 38 codes; biodiesel blends below 30% by volume (aka. petroleum oils containing biodiesel) found in chapter 27 are excluded.

QFR – FFAS 184

U.S. Exports of Agricultural & Related Products to *Korea, South*
FY 2009 - 2013 and Year-to-Date Comparisons
(in millions of dollars+)

Export Market: *Korea, South*

Product	2009	2010	2011	2012	2013	2013	2014	%Chg
	Fiscal Years (Oct-Sept)					October - June Comparisons		
Bulk Total	1,789.0	2,181.5	3,077.0	2,270.8	1,126.7	931.6	1,704.3	82.9
Wheat	303.0	305.7	430.4	672.6*	373.0	278.7	317.6	14.0
Corn	1,138.0	1,279.0	1,776.0	976.6	100.9	98.7	780.7	690.8
Coarse Grains (ex. corn)	0.0	2.9	2.6	1.3	2.7	2.2	2.0	-9.5
Rice	65.0	63.5	98.3	64.1	110.7	68.5	15.7	-77.1
Soybeans	167.0	337.3	361.4	281.0	314.7	303.2	334.0	10.2
Oilseeds (ex. soybean)	17.0	19.9	18.3	13.5	8.4	6.3	25.6*	308.3
Cotton	89.0	139.8	373.7	195.5	167.7	132.7	185.7	40.0
Pulses	2.0	2.8	3.0	2.3	3.9	3.3	3.2	-3.4
Tobacco	15.0	21.9	10.9	82.1	36.1	33.8	32.2	-4.7
Other Bulk Commodities	5.0	8.8	7.3	11.0*	8.6	6.3	7.6	19.8
Intermediate Total	744.0	1,139.4	1,170.8	1,203.9	1,314.6*	1,039.5	1,011.2	-2.7
Soybean Meal	60.0	184.7*	74.2	6.6	104.8	104.3	105.2	0.9
Soybean Oil	31.0	45.8	30.4	6.5	52.3	52.3	0.2	-99.6
Vegetable Oils (ex. soybean)	14.0	15.1	12.8	21.2	16.0	12.2	13.5	10.8
Animal Fats	21.0	30.9	42.2	8.1	5.5	5.1	2.1	-59.8
Live Animals	9.0	12.8	18.1	21.5	19.1	14.0	18.1	29.5
Hides & Skins	259.0	381.7	465.7	561.8	484.5	388.7	361.2	-6.5
Hay	93.0	137.4	156.4	175.1	190.3*	142.4	138.0	-3.1
Distillers Grains	56.0	76.1	84.3	109.6	128.5*	95.6	124.2	29.9
Feeds & Fodders NESOI	98.0	114.7	115.9	129.8	160.4*	117.5	116.8	-0.6
Planting Seeds	26.0	26.5	26.2	32.1	35.0*	21.8	24.7	13.4
Sugar, Sweeteners, Bev. Bases	11.0	15.4	25.0*	21.0	21.5	16.1	17.3	7.8
Other Intermediate Products	82.0	98.3	119.7*	110.6	98.6	71.5	89.8	25.5
Consumer Oriented Total	1,268.0	1,671.0	2,511.5	2,721.8	2,761.5*	2,171.0	2,580.3	18.9
Beef & Beef Products	269.0	463.1	662.0	586.5	572.5	424.3	569.9	34.3
Pork & Pork Products	239.0	167.6	449.3*	405.0	313.3	278.0	317.7	14.3
Poultry Meat & Prods. (ex. eggs)	45.0	86.4	128.1*	109.9	91.7	73.7	87.1	18.2
Meat Products NESOI	6.0	10.1	13.6	12.7	13.3	10.1	11.6	14.3
Eggs & Products	2.0	6.5*	5.9	4.9	5.0	3.8	3.5	-8.5
Dairy Products	70.0	117.2	211.7	216.8	279.6	201.2	293.2*	45.7
Fresh Fruit	120.0	180.3	249.4	364.6*	352.9	307.0	281.0	-8.5
Processed Fruit	28.0	36.7	56.3	61.3	64.9*	48.7	60.8	24.9
Fresh Vegetables	6.0	5.8	8.9	17.2*	17.2	13.9	10.2	-26.5
Processed Vegetables	66.0	85.5	87.1	116.0	134.1*	102.2	102.5	0.3
Fruit & Vegetable Juices	32.0	44.8	46.2	81.8	82.3*	64.7	75.8	16.7
Tree Nuts	102.0	134.0	179.3	257.7	281.1	231.6	284.0*	22.6
Chocolate & Cocoa Products	43.0	52.6	73.8	75.8	77.9*	55.6	64.1	15.2
Snack Foods NESOI	40.0	40.9	43.9	55.1	72.3*	56.1	63.9	13.9
Breakfast Cereals	4.0	8.8	8.6	9.7*	8.2	5.0	3.4	-31.6
Condiments & Sauces	12.0	16.4	16.6	18.9	19.1*	14.0	17.1	22.6
Prepared Food	132.0	130.9	166.9	230.4	266.1*	189.9	237.1	24.9
Wine & Beer	16.0	16.0	16.7	19.5	25.4*	19.6	22.2	13.5
Non-Alcoholic Bev. (ex. juices)	40.0	32.8	44.7	60.7	60.8*	49.4	49.6	0.1
Dog & Cat Food	14.0	17.6	20.5	22.3	27.1*	20.2	23.8	18.2
Other Consumer Oriented	2.0	2.4	2.2	2.2	3.0	2.2	2.2	2.4
Agricultural Related Products	453.0	535.3	563.4	638.4*	607.8	395.5	460.0	16.3
Distilled Spirits	7.0	8.1	9.9	12.1	11.5	9.3	14.9	60.8
Ethanol (non-bev.)	1.0	10.2	5.5	40.4	5.3	0.7	55.0*	8216.0
Biodiesel & Blends > B30	0.0	0.0	1.2*	0.0	0.0	0.0	0.0	-
Forest Products	195.0	199.0	219.5	180.7	192.2	149.7	153.3	2.4
Fish Products	251.0	318.0	327.3	426.1*	396.9	235.9	236.8	0.4
Agricultural Products	3,821.0	4,992.0	6,759.3*	6,196.5	5,202.8	4,142.0	5,295.9	27.9
Agricultural & Related Products	4,274.0	5,527.3	7,322.7*	6,834.9	5,810.6	4,537.5	5,755.8	26.9

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QFR – FFAS 184

U.S. Imports of Agricultural & Related Products from *Korea, South*
FY 2009 - 2013 and Year-to-Date Comparisons
(In millions of dollars+)

Import Supplier: *Korea, South*

Product	Fiscal Years (Oct-Sept) 2009	2010	2011	2012	2013	October - June Comparisons 2013	2014	%Chg
Bulk Total	4.0	6.0	6.8	7.9	7.2	5.5	6.3	14.9
Coarse Grains	0.0	0.1*	0.0	0.0	0.0	0.0	0.0	-92.1
Rice	1.0	0.7	0.5	0.2	0.3	0.2	0.3	47.2
Tobacco	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Rubber & Allied Products	0.0	0.0	0.0	0.1	0.1	0.1	0.0	-56.4
Coffee, Unroasted	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-
Tea, Incl Herb	3.0	4.9	5.9	7.6*	6.5	4.9	5.8	17.6
Raw Beet & Cane Sugar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-60.8
Other Bulk Commodities	0.0	0.2	0.2	0.1	0.3	0.2	0.2	-29.3
Intermediate Total	20.0	28.0	32.1	39.4	45.4*	34.3	29.7	-13.4
Tropical Oils	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Vegetable Oils	2.0	1.9	2.4	2.3	3.2	2.3	3.4	48.4
Feeds & Fodders	0.0	0.2	0.3	0.3	0.4*	0.3	0.3	-13.1
Live Animals	0.0	0.0	0.1	1.8*	0.4	0.4	0.2	-37.7
Hides & Skins	0.0	0.0	0.0	0.0	0.0	0.0	0.0	115.7
Planting Seeds	1.0	3.1	5.1	5.4*	4.0	3.7	0.8	-77.5
Sugars, Sweeteners, Bev Bases.	1.0	1.9	2.5	3.1	6.2*	4.4	3.3	-24.2
Essential Oils	0.0	0.1	0.1	0.6	0.5	0.5	0.2	-60.6
Cocoa Paste & Cocoa Butter	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Intermediate Products	17.0	20.7	21.7	25.9	30.8*	22.7	21.4	-5.0
Consumer-Oriented	216.0	253.3	284.5	323.8	361.3*	277.0	299.1	8.0
Snack Foods	18.0	27.0	29.6	32.0	35.6*	26.8	34.2	27.8
Red Meats, Prep/Pres	0.0	0.0	0.0	0.1	0.1	0.1	0.0	-66.3
Cheese	0.0*	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Dairy Products	8.0	9.0	11.4	10.3	12.9*	8.4	10.6	26.1
Other Fresh Fruit	22.0	23.2	24.8	28.8*	24.7	21.2	26.6	25.5
Fresh Vegetables	8.0	7.8	8.5	9.5	9.0	7.6	6.6	-13.2
Processed Fruit & Vegetables	19.0	24.5	34.0	46.4	70.1*	54.3	57.5	5.9
Fruit & Vegetable Juices	2.0	3.6	5.3*	2.3	1.2	1.0	1.0	-2.3
Tree Nuts	2.0	3.2	3.0	2.6	1.9	1.7	3.9	123.0
Wine and Beer	5.0	6.6	6.6	7.0*	6.2	4.7	4.6	-2.1
Nursery Products	1.0	1.6	1.7	1.8	2.0	1.5	1.5	3.9
Roasted & Instant Coffee	3.0	4.1	6.0	6.4*	6.0	4.8	5.8	21.7
Spices	3.0	3.5	3.3	3.4	3.6*	2.7	3.1	15.5
Other Consumer Oriented	123.0	139.2	150.1	171.1	187.4*	142.3	143.6	1.0
Forest Products	4.0	3.7	2.9	3.4	3.7	2.7	3.2	18.7
Logs and Chips	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Hardwood Lumber	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Softwood and Treated Lumber	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Panel Products (Incl Plywood)	1.0	0.4	0.5	0.7	0.7	0.5	1.2	147.0
Other Value-Added Wood Prod	4.0	3.3	2.4	2.7	3.0	2.2	2.0	-7.1
Seafood Products	98.0	98.9	114.6	114.0	123.7	93.0	93.4	0.4
Shrimp	0.0	0.3	0.5	0.6	0.5	0.5	0.5	13.1
Tuna	7.0	9.0	10.7	6.5	4.0	2.9	4.7	64.0
Lobster	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Groundfish, Fillet/Steak	0.0	0.1	0.3	0.7	0.2	0.1	0.1	-42.9
Salmon Whole or Eviscerated	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Edible Fish & Seafood	91.0	89.4	103.1	106.3	119.1	89.6	88.1	-1.6
Agricultural Products	240.0	287.2	323.4	371.2	413.9*	316.7	336.0	6.8
Ag, Fish & Forest Prods	343.0	389.8	440.8	488.6	541.3*	412.4	431.6	4.6

Prepared By: Global Policy Analysis Division/OGA/FAS/USDA
Source: U.S. Census Bureau Trade Data

* Denote Highest Import Levels Since at Least FY 1970
+Values of $0.05 million or more are rounded to $0.1 million

www.fas.usda.gov/GATS
GATSHelp@fas.usda.gov

Biodiesel aggregate includes only higher-level and pure biodiesel HTS chapter 38 codes; biodiesel blends below 30% by volume (aka. petroleum oils containing biodiesel) found in chapter 27 are excluded.

FARM CREDIT ADMINISTRATION
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE
MAY 9, 2014

Questions Submitted by Chairman Robert Aderholt

1. Please provide a list of all Farm Credit Administration (FCA) field offices and indicate the number of staff associated with each office. Were there any significant changes in the number of staff at each office in the last year?

Headquarters	162
Sacramento Field Office	18
Denver Field Office	39
Bloomington Field Office	39
Dallas Field Office	26
Rest of U.S.	6
Grand Total	290

There were no significant changes in the number of staff at any of the field offices

2. Please provide a table showing the agency's FTEs by office for the past 10 fiscal years and include the estimated levels for fiscal year 2015.

Organizational Unit	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 Est.	FY 2015 Est.
Board	10.3	9.8	9.5	9.9	8.9	8.6	9.8	9.3	9.4	10.3	10.3
Office of the Chief Executive Officer (CEO)	4.9	3.5	1.8	1.2	1.9	1.7	2.0	3.0	2.8	3.0	3.0
Congressional and Public Affairs *	8.6	5.0	6.1	5.9	5.0	6.1	6.6	5.0	5.1	6.9	7.1
Congressional and Legislative Affairs *	0.8	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Examination	142.7	135.7	141.1	139.2	149.8	163.6	171.2	172.6	163.7	176.5	180.6
General Counsel	16.3	13.7	13.8	14.1	13.6	12.9	13.6	13.1	13.5	14.5	15.0
Management Services	50.2	51.0	46.9	46.5	48.8	50.7	49.9	50.4	48.1	55.0	55.0
Inspector General	4.8	3.9	4.2	4.6	4.6	4.6	4.6	4.6	4.0	4.8	4.8
Secondary Market Oversight	4.0	4.0	3.9	4.0	4.0	4.0	3.7	4.6	4.2	4.8	5.0
Regulatory Policy	28.5	25.4	26.1	26.0	24.2	24.3	25.0	25.0	22.6	26.9	27.2
Total	271.1	252.0	253.4	251.4	260.8	276.5	286.4	287.6	273.4	302.7	308.0

Notes:

* The Office of Congressional and Legislative Affairs and the Office of Communications and Public Affairs were merged into the Office of Congressional and Public Affairs during FY 2005.

3. Please provide a table showing the ratio of managers and supervisors to other personnel for the past 10 fiscal years and estimated levels for fiscal year 2015.

Fiscal Year	Ratio
2005	1:8
2006	1:6
2007	1:6
2008	1:6
2009	1:6
2010	1:6
2011	1:6
2012	1:5
2013	1:6
2014 Est.	1:6
2015 Est.	1:6

4. Please provide a table showing FCA obligations by office for the past 10 fiscal years and include the estimated levels for fiscal year 2015.

FCA Obligations by Office, FYs 2005-2015
(in thousands)

Organizational Unit	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 Est.	FY 2015 Est.
Board	$1,864	$1,768	$2,058	$2,030	$1,966	$2,172	$1,990	$1,926	$1,897	$2,385	$2,418
Office of the Chief Executive Officer	912	703	440	347	346	405	505	730	677	976	990
Congressional and Public Affairs [1]	1,224	894	1,075	1,050	946	1,237	1,440	1,219	1,239	1,798	1,860
Congressional and Legislative Affairs [1]	99	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Examination	17,816	19,166	19,841	21,193	23,270	26,469	27,987	27,698	27,072	31,193	32,374
General Counsel	2,628	2,527	2,502	2,744	2,752	2,756	2,976	3,029	3,275	3,826	4,036
Management Services	9,119	8,832	9,885	10,264	10,174	11,210	11,669	11,696	11,145	15,169	15,121
Inspector General	828	711	814	934	985	1,038	1,067	1,096	948	1,338	1,357
Secondary Market Oversight [2]	826	941	881	1,009	1,002	1,078	966	1,074	1,038	1,363	1,435
Regulatory Policy	3,711	3,811	4,104	4,304	4,246	4,545	4,777	4,720	4,522	5,851	6,009
Total obligations	$39,027	$39,353	$41,600	$43,875	$45,687	$50,910	$53,377	$53,188	$51,813	$63,900	$65,600

Notes:

[1] The Office of Congressional and Legislative Affairs and the Office of Communications and Public Affairs were merged into the Office of Congressional and Public Affairs during FY 2005.

[2] Excludes costs of certain offices, such as Examination and General Counsel, which assist in the examination and supervisory activities of Farmer Mac.

Note: To realize efficiencies, FCA offices share resources to accomplish various tasks and activities. These shared resources are not reflected in the individual office obligations.

5. What is the cost of operating the agency to Farm Credit System institutions and Farmer Mac?

The estimated fiscal year 2015 operating costs of the Agency are $62,725,000 and $2,375,000 to the Farm Credit System and Farmer Mac, respectively. Borrowers of the Farm Credit System incurred a net cost of 1.9 basis points, or 1.9 cents for every $100 of assets held, to pay for Agency operations in FY 2013. This rate is down from 2.9 basis points 10 years earlier.

6. Please provide a table showing assessments on Farm Credit System institutions and Farmer Mac for the previous 10 fiscal years and estimated for fiscal year 2015.

FCS Assessments - FYs 2005-2015
(includes Farmer Mac)

Fiscal Year	Assessment *(in millions)*
2005	$39.4
2006	$40.5
2007	$41.5
2008	$42.5
2009	$45.1
2010	$49.1
2011	$52.5
2012	$54.1
2013	$50.0
2014	$50.0
2015 est.	$55.0

Farmer Mac Assessments - FYs 2005-2015

Fiscal Year	Assessment *(in millions)*
2004	$2.00
2005	$2.30
2006	$2.35
2007	$2.20
2008	$2.05
2009	$2.05
2010	$2.25
2011	$2.20
2012	$2.25
2013	$2.38
2014	$2.38
2015 est.	$2.38

7. Please provide a table showing the total carryover available at the end of each fiscal year beginning in 2002. What is the estimate of carryover for 2015?

FISCAL YEAR	CARRYOVER AMOUNT
2002	13.9
2003	12.0
2004	10.1
2005	11.7
2006	16.3
2007	20.5
2008	21.9
2009	23.1
2010	23.5
2011	23.8
2012	27.6
2013	27.5
2014 est.	14.4
2015 est.	4.4

8. Please provide a table showing the amount of refunds or reduced assessments to Farm Credit System Institutions and Farmer Mac for the previous 10 fiscal years and estimate for fiscal year 2015.

FISCAL YEAR	REFUND (in millions)	ASSESSMENT REDUCTION / CARRYOVER USED (in millions)
2005	$1.5	$2.937
2006	$0.0	$3.750
2007	$0.0	$2.750
2008	$0.0	$3.450
2009	$0.0	$4.900
2010	$0.0	$5.400
2011	$0.0	$6.900
2012	$0.0	$5.900
2013	$0.0	$11.000
2014	$0.0	$13.300
2015 est.	$0.0	$10.100

9. FCA also receives funds from interest earned on investments with the Treasury and uses the interest earned to build and maintain an Agency reserve. Please provide a table showing the balance in the reserve for each fiscal year since it was established.

FISCAL YEAR	INTEREST RESERVE BALANCE (in millions)
2007	$8.0
2008	$9.0
2009	$9.5
2010	$10.0
2011	$10.6
2012	$11.1
2013	$11.5

10. What is the purpose of the Agency reserve? Were funds from the Agency reserve obligated in fiscal year 2013?

The purpose of the Agency reserve is to pay one-time unbudgeted expenses that may arise from material System policy or safety and soundness issues. The reserve may also be used to create a smooth multi-year transition of System institutions' assessments to a higher Agency budget level as a result of unexpected, ongoing issues that may occur from changes in the System's policy environment or fundamental safety and soundness.

There were no funds, from the Agency reserve, obligated in fiscal year 2013.

11. For the record, please describe how FCA defines the terms budget carryover, carryover funds, unbudgeted expenses, interest reserve, and unobligated balances.

Budget Carryover – Amounts from prior years that remain available for obligation.

Carryover Funds – Amounts from prior years that remain available for obligation.

Unbudgeted Expenses – Items which were unexpected during the budget formulation process.

Interest Reserve – Funds accumulated through interest earned on invested Agency funds.

Unobligated Balances – Budget authority, at the end of a given fiscal year, that is available for the current and subsequent fiscal years.

12. Is FCA's interest reserve subject to the limitation provided by the annual Agriculture Appropriations Act?

The limitation provided by the annual Agriculture Appropriations Act includes assessments collected from the Farm Credit institutions, including the Federal Agricultural Mortgage Corporation. The limitation does not include reimbursable funding or interest earned.

13. How much did FCA spend on reception and representation expenses in fiscal year 2013 and estimated for fiscal year 2014?

For fiscal year 2013, the FCA budgeted $7,000 for reception and representation expenses and spent $974. The FCA has budgeted $6,500 for fiscal year 2014.

14. Did any FCA employees travel internationally in fiscal years 2013 and 2014 to date? Please provide an explanation of the purpose of the trip and cost.

During FY 2013 and 2014 to date, no FCA Board members or employees traveled internationally on official business.

15. Please provide a table showing FCA's reimbursable agreements for fiscal years 2012 through 2014.

AGREEMENT	FY 2012	FY 2013	FY 2014 (YTD)
U.S. Department of Agriculture (USDA)	$380,000	$150,000	$0
Farm Credit System Insurance Corporation (FCSIC)	$354,565	$419,935	$480,000
National Consumer Cooperative Bank (NCB)	$100,951	$287,087	*

Notes:
USDA – FCA has a reimbursable agreement for FY 2014; however, it has not yet been funded.
***NCB** – FCA is required under 12 USC, Chapter 31, Sec. 3025 to perform annual examination and audit work for the NCB. In accordance with this statute, FCA is required to be reimbursed for costs incurred, but not ohtain funds in advance.

16. Please provide a list of outstanding recommendations from FCA's Inspector General for which management decisions are pending as of May 1, 2014.

There are no outstanding recommendations from the FCA's Inspector General pending at this time.

17. Please provide FCA's compensation scale by classification level for staff.

2014 Salary Range Structure					
Grade	**1st Quintile**	**2nd Quintile**	**3rd Quintile**	**4th Quintile**	**5th Quintile**
VH45	181,510 to 205,106	205,107 to 228,701	228,702 to 252,299	252,300 to 275,894	275,895 to 299,491
VH44	157,696 to 178,196	178,197 to 198,696	198,697 to 219,198	219,199 to 239,698	239,699 to 260,198
VH43	138,671 to 156,699	156,700 to 174,726	174,727 to 192,754	192,755 to 210,781	210,782 to 228,808
VH42	121,208 to 136,965	136,966 to 152,722	152,723 to 168,480	168,481 to 184,237	184,238 to 199,994
VH41	105,944 to 119,717	119,718 to 133,489	133,490 to 147,263	147,264 to 161,035	161,036 to 174,808
VH40	92,602 to 104,640	104,641 to 116,677	116,678 to 128,717	128,718 to 140,754	140,755 to 152,793
VH39	80,940 to 91,463	91,464 to 101,985	101,986 to 112,507	112,508 to 123,029	123,030 to 133,552
VH38	70,746 to 79,943	79,944 to 89,139	89,140 to 98,337	98,338 to 107,533	107,534 to 116,730
VH37	61,838 to 69,877	69,878 to 77,916	77,917 to 85,956	85,957 to 93,995	93,996 to 102,034
VH36	54,050 to 61,077	61,078 to 68,103	68,104 to 75,131	75,132 to 82,157	82,158 to 89,184
VH35	47,242 to 53,384	53,385 to 59,525	59,526 to 65,667	65,668 to 71,808	71,809 to 77,950
VH34	41,293 to 46,661	46,662 to 52,029	52,030 to 57,397	57,398 to 62,765	62,766 to 68,133
VH33	36,094 to 40,786	40,787 to 45,478	45,479 to 50,170	50,171 to 54,862	54,863 to 59,554
VH32	34,373 to 38,841	38,842 to 43,310	43,311 to 47,778	47,779 to 52,247	52,248 to 56,715
VH31	32,738 to 36,994	36,995 to 41,250	41,251 to 45,506	45,507 to 49,762	49,763 to 54,018
VH30	31,178 to 35,232	35,233 to 39,285	39,286 to 43,339	43,340 to 47,392	47,393 to 51,445

Note: Total compensation is currently capped at $275,872.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires Federal financial regulators to strive to achieve comparability in compensation and benefit programs. Specifically, section 1206 of FIRREA directs FCA and other Federal bank regulatory agencies (FBRAs) to "seek to maintain comparability regarding compensation and benefits." These provisions enable FBRAs to attract and retain qualified staff. The Agency annually surveys the other FBRAs and adjusts its employees' compensation and benefits consistent with FIRREA. The Agency also surveys the private sector, the System banks, and the General Schedule agencies for purposes of general comparison. FCA's compensation policy provides compensation at a level similar to the average market rate provided by other FBRAs.

18. Please provide tables showing the loan volume and net income of Farm Credit System institutions for the past five fiscal years.

Farm Credit System Gross Loans and Net Income (million dollars)

	2013	2012	2011	2010	2009
Gross Loans	201,060	191,904	174,664	175,351	164,830
Net Income	4,640	4,118	3,940	3,495	2,850

Source: Federal Farm Credit Banks Funding Corporation, 2013 Annual Information Statement

19. What is FCA's opinion of the financial health of the Farm Credit System?

The System continues to be fundamentally safe and sound and is well positioned to meet the challenges affecting the general economy and agriculture. The System's condition and performance remained strong in 2013 with increased earnings, higher capital levels, and strong credit quality in its loan portfolio.

Total System assets grew to $260.8 billion, up $14.1 billion or 5.7 percent from 2012. Loan growth was modest as gross loan volume increased by 4.8 percent, mainly associated with real estate mortgage and, to a lesser extent, production and intermediate term lending.

Credit quality in the System's loan portfolio is strong. As of December 31, 2013, 95.8 percent of System loans outstanding were rated Acceptable as compared to 94.5 percent at year-end 2012. Nonperforming loans declined to $2.0 billion or 1.01 percent of gross loans outstanding, down from $2.6 billion or 1.36 percent the prior year. However, lower commodity prices are expected to sharply reduce profits for crop producers and put downward pressure on farmland values which could result in additional credit stress at some System institutions.

The System again reported strong earnings in 2013, up 12.7 percent to $4.6 billion. The increase was mainly due to lower provisions for loan losses and, to a lesser extent, higher net interest income. Net interest margin in 2013 remained favorable at 2.78 percent and the System continued to take advantage of the low interest rate environment to lower its cost of funds relative to assets. However, the System is limited in its ability to continue to lower its cost of debt and as interest rates change and assets prepay or re-price in a manner more consistent with historical experience, some compression of net interest spread is anticipated.

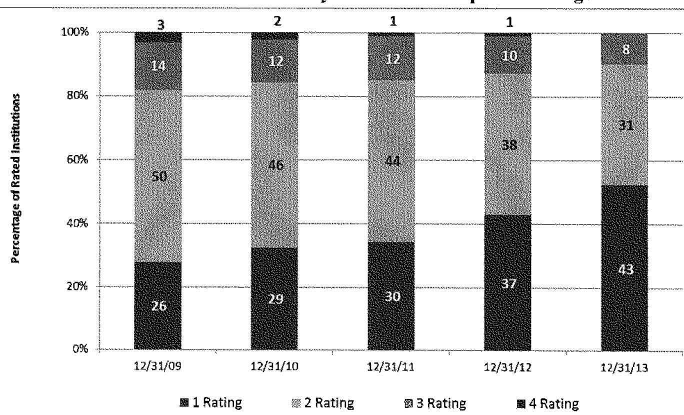
The System continues to maintain a strong capital position. At December 31, 2013 total System capital equaled $42.6 billion, up from $38.6 billion a year earlier. The ratio of total capital-to-total assets was 16.3 percent, compared with 15.7 percent at yearend 2012. Earned surplus, the most stable form of capital, represented over 80 percent of total capital at the end of 2013. Further strengthening the System's financial condition is the Farm Credit Insurance Fund, which totals nearly $3.5 billion. Administered by the Farm Credit System Insurance Corporation, this fund protects investors in System-wide consolidated debt obligations.

System banks maintain liquidity reserves to ensure they can withstand market disruptions from adverse economic or financial conditions. As of December 31, 2013, the System's liquidity position equaled 194 days, up from 185 days at year-end 2012, and significantly above the 90-day regulatory minimum.

Although the System's financial condition remains sound, certain System borrowers were adversely affected by the slow pace of economic recovery, volatile commodity prices, developing drought in California, and the continuing spread of damaging diseases in the citrus and pork sectors. As a result, the risk for some institutions has increased.

The Agency uses the Financial Institution Rating System (FIRS) to assess the safety and soundness of each FCS institution. FIRS provides a framework of component and composite ratings to help examiners evaluate significant financial, asset quality, and management factors. FIRS ratings range from 1 for a sound institution to 5 for an institution that is likely to fail. As the chart below indicates, ratings improved in 2013 and the System continues to be fundamentally safe and sound. As of December 31, 2013, 8 System institutions were rated "3"; there were no "4" rated institutions. In total, these institutions represent less than 2 percent of System assets and do not materially affect the System's consolidated performance.

Farm Credit System FIRS Composite Ratings



Source: FCA's FIRS Ratings Database.

20. What challenges does the System face in the near term?

While the 2014 outlook for agriculture is favorable, there remains considerable uncertainty surrounding both the general and farm economies that will present continuing challenges for the System. Many highly correlated uncontrollable or macroeconomic influences directly affect agriculture. Collectively, these conditions could affect the risk profile of the System and its borrowers, and ultimately investors' perception of the System's financial strength and capital needs. At the same time, a number of System senior officers have retired or announced their intention to retire in the past several years. Going forward, this transition in FCS leadership positions will present both opportunities and risks.

A number of agricultural issues present ongoing concerns in light of the challenging operating environment experienced over the past few years. Farm sector net cash income is projected to drop sharply in 2014. The significant drop in crop prices stemming from the rebound in crop production is expected to be maintained. During 2013, record global crops for grains and oilseeds contributed to significant price declines. For the current year, USDA is forecasting the trend to continue with near-record U.S. corn and soybean plantings returning yields to normal levels. As a result, grain prices are forecasted to further decline in 2014. While a decline in grain prices would significantly lower profit margins, grain producers generally are in a strong financial position after several years of favorable incomes.

Other agricultural sectors also remain a concern. Specifically, livestock, dairy and ethanol each bear careful monitoring as variable input costs and volatile pricing have severely affected profitability. Swine producers will be watched closely to monitor the effect that the PEDv epidemic is having on certain producers. Stress on these sectors is expected to moderate in the near-term as grain prices are expected to drop significantly due to a return to normal U.S. crop production levels. However, drought continues to persist across much of the Southern Plains and California, severely impacting rangeland and pasture quality. Water availability could also have significant consequences for specialty crops, fruit, vegetable, and tree nut production. Lastly, those involved in citrus production will be monitored closely for the effects of citrus greening disease.

Housing-related industries such as timber and nurseries have faced difficult times due to the weak conditions in the housing sector. Although the housing industry has begun to slowly recover, risk levels on loans to this sector are anticipated to remain elevated until general economic growth improves.

During 2013, farmland values slowed their upward climb, which was driven by high grain prices and historically low interest rates. Further declines in commodity prices or rising interest rates, due to an improving U.S. economy, would put further pressure on values. A significant decline in farmland values would likely alter the risk profile of many outstanding farm real estate loans. While a correction may occur, FCA believes the System's farm real estate loan underwriting has been prudent in recent years and any correction is within the System's ability to manage.

Farm programs, energy policies, and foreign trade agreements are important factors that influence markets, and thus affect farm income and borrowers' ability to repay their loans. Recent and future changes to government policies and programs, including crop insurance programs, direct payments to farm producers, price support programs and emergency and disaster payments, could have

significant implications for the farm economy and System borrowers. We will monitor closely the effects of implementation of the 2014 Farm Bill on the System and their borrowers.

As the arm's length, safety and soundness regulator of the System, one of FCA's primary functions is to issue regulations and implement public policy. Proactive oversight of the System through new regulatory guidance may at times include potentially controversial issues due to the distinct viewpoints of System institutions and FCA.

21. Are there any System institutions that are under heightened scrutiny or examination by FCA? Please provide a summary of each situation.

Eight System institutions, representing 1.3 percent of System Assets Under Examination[1], were operating under Special Supervision or Enforcement Supervision as of April 30, 2014. This level does not materially impact the System's safety and soundness. FCA is dedicating the necessary resources to ensure the institutions initiate prompt and effective actions to remediate negative conditions. The following table summarizes the number of System institutions under FCA's three supervisory classifications.

Supervisory Classification	Number of System Banks and Associations[1]	Assets Under Examination[2] (in millions)	Percent of Assets Under Examination
Normal Supervision	78	$382,273	98.7
Special Supervision	2	1,330	0.3
Enforcement Supervision	6	3,956	1.0
Total	**86**	**$387,559**	**100.0%**

1 Supervisory Classifications as of April 30, 2014.

2 "Assets Under Examination" represents the total assets of all System institutions prior to the elimination of interrelated transactions between System banks and associations at December 31, 2013. System assets (net of eliminations) totaled $260.8 billion as of December 31, 2013.

The Supervisory Status is further defined as follows:

- Normal Supervision means the institution is operating in a safe and sound manner and it is in substantial compliance with applicable laws and regulations. These institutions' Composite FIRS Ratings are typically "1" or "2." Any identified weaknesses in areas such as risk identification, business operations, internal controls, governance, standards of conduct, and management practices are addressed in an institution's normal course of business and through FCA's normal oversight and examination activities.

[1] "Assets Under Examination" represents total assets of all System institutions prior to the elimination of interrelated transactions between System banks and associations.

- Special Supervision means the institution is operating under supervisory requirements imposed by the Office of Examination. This supervisory process allows the institution an opportunity to correct identified problems and potentially avoid the need for a formal enforcement action. These institutions' Composite FIRS Ratings are typically "3."

- Enforcement Supervision involves one or more formal enforcement actions, initiated by the FCA, to correct unsafe or unsound conditions, practices, or violations of laws and regulations. These institutions' Composite FIRS Ratings are typically "3," "4," or "5." Enforcement Actions are further defined in Part C of the Farm Credit Act of 1971, as amended.

Institutions operating under Special Supervision or Enforcement Supervision require significant additional examination and supervisory resources. FCA has dedicated the needed resources to ensure compliance with the supervisory actions and remediation within a reasonable period of time. System institutions have been responsive to these actions and, given current trends, we expect the number of institutions under Special Supervision or Enforcement Supervision will decline over the next 2 years.

We cannot disclose institution-specific examination and supervision information in this communication given our confidentiality requirements. However, we offer to meet with the committee staff and provide more specific and confidential information.

22. Please provide tables showing the loan volume and net income of Farmer Mac for the past five fiscal years.

Farmer Mac reports annual financial results on a calendar year basis. These results do not exhibit significant seasonality (i.e., fiscal year versus calendar results) so we provide the requested information in the table below on a calendar year basis.

($ in millions)	2009	2010	2011	2012	2013
Program Loans & Guarantees	10,721	12,217	11,913	13,015	13,950
Net Income Available to Common Shareholders	82.3	22.1	13.8	43.9	71.8

Source: Farmer Mac's Annual Reports on Security and Exchange Commission Form 10-K.

23. Please update the Committee on FCA's opinion of the financial health of Farmer Mac?

Farmer Mac's financial condition and performance is strengthening with moderate program volume growth, sound credit quality, and improved capital adequacy.

Capital measures were generally stable and the quality of capital improved. On December 31, 2013, Farmer Mac's net worth (that is, equity capital determined using generally accepted accounting principles [GAAP]) was $574.5 million, compared with $593.0 million a year earlier. Net worth was 4.3 percent of on-balance-sheet assets as of December 31, 2013, compared with 4.7 percent at the end of 2012. The ratio declined because on-balance-sheet assets increased and net worth declined

slightly despite favorable earnings results (discussed in greater depth below). When Farmer Mac's off-balance-sheet program assets (that is, essentially its guarantee obligations) are added to its total on-balance-sheet assets, capital coverage was 3.3 percent as of December 31, 2013, compared with 3.6 percent in 2012. Farmer Mac redeemed and retired all outstanding shares of its Series C Preferred Stock through the proceeds received from the issuance of Series A Preferred Stock on the same date. Series A Preferred Stock ranks senior to Class A voting common stock, Class B voting common stock, and Class C non-voting common stock. As of December 31, 2013, Farmer Mac continued to be in compliance with all statutory and regulatory minimum capital requirements.

Farmer Mac's total program activity increased to $14.0 billion on December 31, 2013, from $13.0 billion a year earlier. Farmer Mac experienced steady growth in its Farm & Ranch loan purchases, as well as its AgVantage products. AgVantage bonds are general obligations of the issuing financial institution that are purchased or guaranteed by Farmer Mac. In addition to the general obligation of the financial institution, each AgVantage security is secured by eligible loans under one of Farmer Mac's programs in an amount at least equal to the outstanding principal of the security.

Asset quality trends were positive in 2013. The percentage of substandard volume declined sligbtly. On December 31, 2013, $194.9 million of Farmer Mac's "Farm & Ranch" loan program portfolio was substandard, representing 3.78 percent of the principal balance of Farm & Ranch loans purchased, guaranteed, or committed to be purchased.[1] This compares with $186.5 million, or 3.93 percent, on December 31, 2012. Assets are considered to be substandard when tbey have a well-defined weakness or weaknesses that, if not corrected, are likely to lead to some losses.

Farmer Mac's 90-day delinquencies declined in 2013 for the fourth consecutive year. As of December 31, 2013, 90-day delinquencies totaled $28.3 million, or 0.55 percent of non-AgVantage Farm & Ranch loans, compared with $33.2 million, or 0.70 percent as of December 31, 2012. Real estate owned as of December 31, 2013, was $2.6 million, down from $4.0 million a year earlier. Farmer Mac reported no delinquencies in its pools of rural utility cooperative loans.

Farmer Mac's key earnings measures improved. Net income available to common stockholders totaled $71.8 million (in accordance with GAAP) for the year ended December 31, 2013, up from $43.9 million reported at year-end 2012. Core earnings for 2013 increased to $54.9 million, compared with $49.6 million in 2012.[2] Net interest income, which excludes guarantee fee income, was $98.6 million in 2013, down from $118.3 million in 2012.[3] Guarantee fee income was $27.0 million, compared with $25.0 million in 2012. Non-program investments accounted for an estimated 9.32 percent of interest income for 2013, down from 9.34 percent for 2012.

[1] We have excluded AgVantage volume from the Farm & Ranch loan volume because AgVantage products carry significantly less risk.

[2] Core earnings provide a non-GAAP measure of financial results that excludes the effects of certain unrealized gains and losses and nonrecurring items. Farmer Mac reports core earnings to present an alternative measure of earnings performance. The components included in core earnings calculations are at Farmer Mac's discretion.

24. What challenges does Farmer Mac face in the near term?

Farmer Mac faces potential risks related to the agricultural and rural utility cooperative sectors, the capital markets generally, the level of interest rates, as well as the regulatory environment and political risk of a change in government policy related to government sponsored enterprises (GSEs). Nevertheless, in the near term, we anticipate no disruption of its access to the debt capital markets or its ability to comply with regulatory requirements. A sustained, multi-year drought in the heartland or the Southwest of the U.S. could place stress on its agricultural loan portfolio. Conversely, a sustained period of unusually high agricultural production levels and resulting low commodity prices, could also impact Farmer Mac's agricultural mortgage portfolio. Other external factors such as a decline in international trends in the demand for U.S. agricultural products could adversely impact Farmer Mac.

THURSDAY, MARCH 27, 2014.

FOOD AND DRUG ADMINISTRATION

WITNESSES

MARGARET A. HAMBURG, M.D., COMMISSIONER OF FOOD AND DRUGS, FOOD AND DRUG ADMINISTRATION

WILLIAM TOOTLE, DIRECTOR OF THE OFFICE OF BUDGET, FOOD AND DRUG ADMINISTRATION

NORRIS W. COCHRAN, DEPUTY ASSISTANT SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. ADERHOLT. Well, good morning. The subcommittee will come to order. I thank all of you all for being here this morning and for being at our hearing to discuss FDA's fiscal year 2015 budget request.

As I have mentioned on all the previous budget hearings that we have had thus far, the subcommittee is conducting its work with three primary themes in mind: number 1, ensuring the proper use of funds through the committee's oversight responsibility; ensuring the appropriate level of regulation to protect producers and the public, which will be number 2; and number 3, ensuring that taxpayer funds are targeted to the most vital programs. We will be reviewing FDA's budget this morning in light of these themes as we move forward.

I would like to welcome to the subcommittee this morning Dr. Margaret Hamburg, who is the Commissioner of the Food and Drug Administration. Also joining us today is Mr. Bill, "William" Tootle, who is the Director of the Office of Budget, FDA; and Mr. Norris Cochran, who is the Deputy Assistant Secretary for the Department of Health and Human Services. So welcome all of you and we are glad to have you here this morning.

I think everyone in this room or anyone that is even viewing this hearing this morning, whether it be on CSPAN or otherwise, would be touched in some way by FDA. If not today, they will be tomorrow. The agency's work, from the food safety to the safety of cosmetics to human drugs—plays a critical role in our health and welfare. And I believe I can speak for all of us that are here on the dais, and all those that will be joining us at the dais as we get started this morning, that we appreciate your service, your deduction, and all those that you work with at FDA.

Most of the public and many of our colleagues here in Congress are often surprised to learn that FDA regulates 20 to 25 percent of every consumer dollar spent on products in the United States. Your work can contribute to saving lives on one hand, and on the other hand, your regulatory decisions can mean the life or death to a business across the Nation and the world.

The extensive involvement of FDA in so many aspects of our daily life and the economy as a whole carries both benefits and

risk. Because of your agency's influence on so much of our personal and professional lives, it is incumbent upon this Subcommittee to ensure that FDA is making sound financial and regulatory decisions throughout the year, and not just over the course of the next few hours here this morning.

FDA's responsibilities have grown over the past few years through the global marketplace and by way of congressional action. Congress has passed four major pieces of legislation during President Obama's time in office: number 1, the Family Smoking Prevention and Tobacco Control Act of 2009; second, the Food Safety Modernization Act of 2011; third, the Food and Drug Administration Safety and Innovation Act of 2012; and the Drug Quality and Security Act of 2013.

BUDGET REQUEST

Your fiscal year 2015 budget request contains increases associated with two out of the four of these broadened activities, food safety and drug compounding. Congress has responded by providing FDA with increased funding over this time as well as to a degree that very few agencies have experienced.

The year before President Obama came to office, the FDA had a budget authority of about $1.72 billion, with about 7,844 full time equivalent positions. The appropriation Congress provided in January of fiscal year 2014 included $2.6 billion and 10,325 FTE positions for FDA. This is an increase of 49 percent in funding and 32 percent in personnel. When factoring the authorized user fees into this number, FDA's funding has increased by 93 percent over this time period.

FDA is requesting $4.74 billion for fiscal year 2015, of which $2.58 billion is in discretionary budget authority and $2.16 billion is in user fees. The request includes new user fees for food imports and food inspection and facility registration once again.

In total, FDA is requesting $260 million in new fees but has failed to gain support from the stakeholders most impacted by such fees, the regulated food industry. The authorizing committees have not authorized the fees, and I see little chance that that would happen during this Congress.

We can continue to debate whether or not FDA needs more funding, but my colleagues and I need to be convinced that the FDA is utilizing its current resources in the most efficient ways to get the job done.

On a related note, we continue to have concerns that FDA may be taking too long on issues right now without finishing some of the critical health matters currently on its plate. These are things that this Congress has specifically mentioned in our fiscal year 2014 explanatory statement, such as the seafood advisory for pregnant women and sunscreen ingredients.

We are well aware that Congress has limited discretionary dollars to go around. While it may look like we are doing our job by providing the FDA with ever more funds to match the ever growing demands, we need to be absolutely sure that taxpayer dollars are spent wisely and resources are directly linked to the tangible results that we see.

So with that, I would like to ask my Ranking Member, Mr. Farr from California, if he has any opening remarks, and would recognize him at this time.

Mr. FARR. Thank you very much, Mr. Chairman, and I echo your remarks about the size of this agency and the responsibility. And I just want to personally thank you and praise you for your leadership. I know that it has been through some really difficult times, particularly with sequestration and budget cuts.

But one area that I really think you do not get the appreciation that you should is that you have been the strongest advocate for the stewardship of medical countermeasures. And I think you have really done a great job in setting up and making this country better prepared for a medical crisis and pandemics that may occur in the future. And I want to thank you for that leadership. That does not get the recognition it should.

I think we are probably going to have a much more optimistic and smoother budget process this year than we did last year. But I do not think we should forget the turmoil of sequestration and the shutdown in 2014.

SEQUESTRATION

Maybe this is more of a question, but I would like to hear your opinion of the impact of these two events on FDA in terms of what it really did for public health, what opportunities we lost by the shutdown and sequestration, and how it affected, as the chairman talked about, the large employee morale that the agency has.

You have a big agency, but you also have a bigger responsibility. And I think that as you are the first responder to so many of the crises in America, that we need to make sure that the morale and well-being of the FDA is in great shape.

So I look forward to your testimony. I thank you for your leadership of the agency. And again, thank you for coming out. The Secretary came out to my district. You think of FDA as just being drugs, but it is also food. And the food that my District produces is essentially what is in a salad.

FOOD SAFETY

If you think about lettuce and things like that, most foods you cook and that cooking process is the ultimate what they call kill-stop. And any bacteria or anything in that gets killed in the cooking process. Well, you do not cook lettuce. You do not necessarily cook most of the other ingredients in a salad.

So we have to find a process in growing that makes sure of the food safety. And I think she was really struck by the amount of care we go into. You have to dress up to go into the fields just like you dress up to go into an operating room.

You have to have your hands covered and gloves covered, your beards and hair covered. You cannot have any jewelry on. You cannot chew any gum. You cannot take anything into the fields. And I think the fact that you came and saw that left a really strong impression with the growers, who have not had much contact with the FDA, to have you out there walking in their shoes. And I just appreciate that you took time to do that.

Mr. ADERHOLT. Thank you, Mr. Farr.

Again, welcome all of you. Dr. Hamburg, we will now turn to you for your opening statement. Bear in mind that your full statement will be included in the record, so feel free to summarize any main points and then we will proceed with the questions.

Let me just say that we will have votes at some point. We are expecting votes probably around 10:50. That is always subject to change, as you know. But we will do a recess to go cast votes and then we will reconvene after that. But we will probably go for 45 minutes before we have to be called for a vote.

So we will let you know. And so again, thank you for being here. We look forward to your comments.

Dr. HAMBURG. Well, thank you very much, and good morning, Chairman Aderholt and members of the subcommittee. And thank you for the opportunity to appear before you today to discuss the FDA's fiscal year 2015 budget.

I also do want to thank the subcommittee for your past investments in FDA. Your unflagging support for our work to protect and promote the health of the public, even in these challenging budgetary times, is deeply appreciated.

FDA's mission is vast, as the chairman noted. We are asked with ensuring the safety, effectiveness, and quality of human and animal drugs, biologics, medical devices, and other medical products, as well as the safety of the blood supply and the safety and wholesomeness of some 80 percent of our Nation's food supply.

We also work to foster scientific innovation that will lead to tomorrow's new, better, and safety products. And more recently, we have been asked to regulate the manufacture, marketing, and distribution of tobacco products.

And today, FDA is challenged by ever more complex challenges, requiring the agency to stay apace or ahead of scientific and technological developments that are driving product development and innovation. And we are challenged as well by globalization, not only the increasing volumes of imported goods, but the complexity of their supply chains, all of which increase both the potential risks and the benefits for American consumers.

FSMA

I am happy to report that last year FDA moved forward on many fronts to address these and other challenges. We took major steps towards implementing the Food Safety Modernization Act, or FSMA, which would enable FDA to build a modern, prevention-focused food safety system protecting Americans against foodborne illness from both domestic and foreign sources.

We approved novel medical products in cutting edge areas of science and addressing critical unmet medical needs. We made progress in tackling drug shortages. And working with Members of Congress and industry, we reached agreement on an approach to pharmacy compounding, and set a timeline for a national track and trace system for prescription drugs that, when fully implemented, will further bolster the safety of the drug supply chain.

BUDGET REQUEST

Looking ahead to next year, FDA is requesting a budget of $4.74 billion for fiscal year 2015, and this represents a modest increase

of 8 percent, or $358 million, to fund our highest priorities. In 2015, proposed and current user fees account for 46 percent of our total budget request, with budget authority dollars comprising the rest.

We are, of course, mindful of the larger pressures on the Federal budget, and so our request focuses on our most urgent needs, the safety of medical products, including compounded drugs, and safety of our food supply. And we are also asking for small increases for infrastructure needs.

More specifically, the fiscal year 2015 budget provides a program level of $2.6 billion, which is $61 million above the fiscal year 2014 enacted level, to continue core medical product safety activities across FDA programs. FDA will continue to fund medical product safety in many critical domains, including one that I know is a major priority for the chairman, Mr. Rogers, which is addressing the misuse, abuse, addiction, overdose, and death from opioids. And we have many initiatives underway to address this very serious concern.

Importantly, under the fiscal year 2015 budget, FDA will invest $25 million in budget authority to enhance pharmacy compounding oversight activities. I think you all recall the 2012 fungal meningitis outbreak that killed 64 people and infected over 750 others in 20 states, and that really demonstrated the critical need for improved oversight of pharmacy compounding.

To better protect the American people, FDA stepped up activities within available resources, and Congress then passed the Drug Quality and Security Act, DQSA, in November 2013 giving us new responsibilities and authorities, but without commensurate resources.

FDA's 2015 budget also requests an increase of $263 million for food safety, including resources to continue implementing FSMA. Implementation will ultimately reduce instances of foodborne illness, such as those seen recently as a result of E. coli O157 contamination of prepackaged salads, Salmonella and Listeria contamination of cheese products, and Listeria contamination in cantaloupe. Implementation will also minimize the market disruptions and economic costs that are influenced by illness outbreaks and significant contamination incidents.

Let me be clear. While FDA will still be able to issue the FSMA rules without increased funding, it will be unable to effectively implement these important rules and to reduce or prevent these types of serious incidents. New resources are required in critical areas of activity—training; the provision of guidance and technical assistance to industry and growers, as well as our partnerships with State agencies; both training and resources to really create an integrated food safety system, which is so key; and, of course, building the modern import safety system that Congress mandated.

So in conclusion, in my view the FDA is a unique and essential agency, as Chairman Aderholt noted in his opening remarks, and our budget represents a real bargain for taxpayers, in fact. While the products we regulate account for more than 20 percent of every consumer dollar spent on products in the U.S., individual Americans pay a scant 2 cents a day to support our work.

This is a small price to pay for lifesaving medicines approved as fast or faster than anywhere in the world, a food supply that is among the safest in the world, and confidence of the American public in the vast array of essential products that they rely on each and every day.

So I appreciate your interest and your support, and I thank you for this opportunity to talk with you this morning. And I am happy to answer any questions you may have.

[The information follows:]

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration
Silver Spring, MD 20993

STATEMENT

OF

MARGARET A. HAMBURG, M.D.

COMMISSIONER OF FOOD AND DRUGS

FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 27, 2014

I. Introduction

Good morning Chairman Aderholt and Members of the Subcommittee, I am Dr. Margaret Hamburg, Commissioner of the Food and Drug Administration (FDA). Thank you for the opportunity to appear before you today to discuss FDA's fiscal year (FY) 2015 Budget request. I would like to thank the Subcommittee for its past investments in FDA, which have helped us meet the demands of our broad and increasingly complex mission. For FY 2015 FDA is requesting $4.74 billion, which represents a modest increase to address our highest priorities.

II. FDA Plays a Vital Role in an Increasingly Complex Environment

FDA is a science-based, regulatory Agency with a public health mission. Our Agency is charged with an enormous and significant task: to promote and protect the health of the American people, and increasingly, people all over the world. This includes efforts to ensure the safety, effectiveness, and quality of human and animal drugs, biologics, medical devices, and other medical products, as well as the safety and wholesomeness of four-fifths of our nation's food supply. It also includes working to foster the scientific innovation that will lead to tomorrow's products, and more recently, regulating the manufacturing, marketing, and distribution of tobacco products while seeking to reduce the use of tobacco products by minors.

The medical and food products we regulate have the potential to sustain life, reduce suffering, treat previously untreatable diseases, and extend lives. They are products that range from those used daily, such as fruits and vegetables or medicines to treat other chronic conditions, to products that may be needed once in a lifetime, such as an automated external defibrillator, to save someone's life. FDA has a duty to make safe

and effective products available as quickly as possible, while at the same time protecting citizens from products that may cause harm. It is this dual responsibility to public health that highlights the critical nature of the Agency. The ability to prevent the outbreak of a foodborne illness is very different but just as important as fast approval of a life-changing medical product. The health of the citizens of the United States depends on both.

Many of the products we regulate are more complex than ever. Gone are the days when treating patients was based on signs and symptoms alone. Rapid developments in science and technology are making it possible for physicians to truly personalize diagnosis and treatment. For example, just last May, FDA approved two drugs for melanoma along with companion diagnostic tests that use the genetic characteristics of the patient's tumor to help determine whether a patient will respond. The ability to evaluate remarkable products like these requires FDA to stay ahead of the curve.

Scientific innovation is also driving remarkable advances in medical device development. For example, we are working hard to support the development of an artificial pancreas which would represent a huge advance in the management of diabetes. Products such as these offer great promise in reducing the burden of disease by tailoring interventions more effectively.

In addition to becoming more complex, the environment in which FDA protects and promotes the health and well-being of the American people is becoming increasingly global. Over the last ten years, the number of imported shipments of FDA-regulated products has skyrocketed – in 2013, approximately 29 million shipments of imported food and medical products entered the United States. Imports account for 50 percent of fresh fruits and 20 percent of fresh vegetables, 80 percent of seafood, and 40 percent of

the drugs on our shelves. Most of this increase in imports is coming from countries with limited regulatory oversight

A strong FDA is critical not only to the domestic and global public health, but also to the U.S. economy, the balance of trade, and homeland security. The implementation of FDA's mission promotes innovation in the industries it regulates and affects costs in the broader economic and health care systems. Innovations not only create jobs, they position the domestic industries to compete in the global marketplace. Our history shows that when there is public trust in FDA's oversight, our industries flourish. Conversely, when food and medical products cause serious harm, the result is often severe economic damage across the industry involved – to offenders and non-offenders alike.

III. We Moved Forward on Many Fronts This Year

This past year's accomplishments on behalf of public health have been as substantial as any in FDA's recent history. There were too many significant actions to list here; below are just a few of the highlights of FY 2013.

- Food Safety. FDA published seven major proposed rules that form FSMA's central framework for moving to a comprehensive 21st Century food safety system. These science-based standards are designed to keep produce safe, implement modern preventive controls in human and animal food/feed facilities, modernize oversight of imported foods, guard against intentional contamination, and help ensure the safe transport of food and feed. In August, FDA issued a final rule defining "gluten-free" for food labeling, to help the estimated 3 million Americans who have celiac disease make food choices with confidence to better

manage their health. In November, we took further steps to reduce the amount of artificial *trans* fat in processed foods

- Nutrition. FDA recently proposed updating the Nutrition Facts label on food packages to reflect new public health and scientific evidence about nutrition, obesity, and chronic disease. Serving size requirements would be updated to reflect the amounts of food people are actually eating and drinking, and the format of the label would be refreshed, with key parts of the label such as calories, serving sizes, and percent daily value displayed more prominently.
- Breakthrough Therapies. In 2012, FDASIA created a powerful new tool to facilitate the development and review of "breakthrough therapies." In 2013, FDA's Center for Drug Evaluation and Research (CDER) received 121 requests for breakthrough therapy designation, and has already granted the designation to 36 potentially innovative new drugs that target both rare (epidermolysis bullosa, and Waldenstrom's macroglobuilnemia) and common (cystic fibrosis, breast cancer, and hepatitis C) conditions.
- Drug Shortages. In 2013, FDA helped to prevent 170 drug shortages. In October, the Agency issued a "Strategic Plan for Preventing and Mitigating Drug Shortages," outlining the Agency's strategy for improving its response to early notifications of a potential shortage, as well as identifying long-term initiatives that the Agency is considering or that stakeholders could take to address the underlying causes of shortages, such as opportunities for drug manufacturers to promote and sustain quality manufacturing. FDA also issued a proposed rule that, if finalized, will expand the early notification requirements.

- Unique Device Identification. On September 20, 2013, FDA announced the final rule requiring that most medical devices distributed in the United States carry a unique device identifier (UDI). The system will be phased in over several years, focusing first on the highest-risk medical devices. Once fully implemented, the UDI system will enhance the ability to quickly identify devices when recalled, improve the accuracy of adverse event reports, and help prevent counterfeiting and diversion. It will also offer a clear way of documenting device use in electronic health records and clinical information systems.
- Drug Quality and Security Act. On November 27, 2013, the Drug Quality and Security Act (DQSA) was enacted. Within days of enactment, issued three draft guidances for industry related to how the Agency intended to implement the new requirements. As of March 6, 2014, 32 firms had registered as outsourcing facilities – and inspections have begun, focusing first on facilities that have not had a recent FDA inspection. A list of the facilities and information about what it means to register as an outsourcing facility is publicly available on FDA's website and is updated weekly.
- New Molecular Entities. Last year marked another strong year for FDA approvals of novel new drugs (NMEs). In 2013, FDA approved 27 NMEs – about the same as the 26 average annual approvals since the beginning of this decade. Some of these medications offer new hope to patients who previously had few or no treatment options. Examples of NMEs approved this year include a "game-changing" virtual cure for Hepatitis C, a drug that attacks breast cancer cells like a "smart bomb" reducing damage to normal tissues, and four new drugs to treat

diabetes. Of the NMEs approved in 2013, one-third were identified by FDA as "first-in-class," and one-third were approved to treat rare or "orphan" diseases. Almost three-quarters (74 percent) of the NMEs approved by FDA in 2013 were approved first in the United States before any other country.

- Public Health Preparedness. We continued our efforts in 2013 to work with U.S. government partners and product developers to facilitate the development and availability of medical countermeasures for responding to potential public health emergencies. This has resulted in the recent approval of several medical countermeasures to help protect the Nation from chemical, biological, radiological and nuclear threats, including an inhalational anthrax therapeutic, a botulism antitoxin, a next-generation portable ventilator, and several influenza diagnostic tests. For emerging infectious disease threats, such as the avian influenza A (H7N9) virus and the Middle East Respiratory Syndrome coronavirus (MERS-CoV), FDA issued Emergency Use Authorizations for diagnostic tests using new authorities created under the Pandemic and All-Hazards Preparedness Reauthorization Act of 2013. In addition, FDA recently approved several seasonal influenza vaccines – including a vaccine manufactured using modern cell culture techniques and a vaccine made through recombinant DNA technology.
- Family Smoking Prevention and Tobacco Control Act. In 2013 we made significant progress in implementing the Family Smoking Prevention and Tobacco Control Act. We signed contracts with state and local authorities to enforce the ban on the sale of regulated tobacco products to children and teens. By January 31, 2014, approximately 258,300 inspections were conducted

resulting in about 13,400 Warning Letters being issued, and over 1,200 Civil Monetary Penalties were imposed. We launched a significant research initiative, and issued the first-ever determinations on whether certain new tobacco products were or were not "substantially equivalent" to products already on the market. Just last month we launched a national public education campaign aimed at reducing the number of young people who use tobacco products.

In addition we took important steps towards fighting the development of antibiotic-resistant bacteria, decreased the backlog in medical device applications, and exceeded our new ADUFA and AGDUFA performance goals. Our emphasis on product quality is accelerating, with the Center for Devices and Radiological Health (CDRH)'s Voluntary Compliance Improvement Program pilot, and CDER's new Office of Pharmaceutical Quality.

FDA accomplished all this and more while costing Americans only about $8 per person a year. FDA is a bargain -- the products regulated by FDA account for more than 20 percent of every consumer dollar spent on products in the U.S., but individual Americans only pay about 2 cents a day to ensure that those products are safe and effective. This is a small price to pay for life-saving medicines approved as fast or faster than anywhere in the world, confidence in medical products that are relied on daily, and a food supply that is among the safest in the world.

IV. FDA's FY 2015 President's Budget Request

The fiscal year (FY) 2015 President's Budget Request for FDA is $4.74 billion for the total Program Level, which is $358 million above the FY 2014 Enacted level. Of the total funding, $2.58 billion is budget authority and $2.16 billion is user fees. The FY

2015 increase consists of $23 million in budget authority and $335 million in user fees. The growth in user fee funding stems from several new programs, along with increased collection authority for many of FDA's existing programs.

We are mindful of the larger pressures on the federal budget, and have focused our request on the most urgent needs for FY 2015. Serious product safety and quality lapses in recent years have caused serious public health situations, most notably those involving foodborne illness and the compounding of unsafe drugs, so FDA is seeking increases in order to strengthen oversight of the pharmacy compounding industry and to support food safety and implementation of FSMA. In addition, FDA must continue to advance medical countermeasures and maintain the integrity of operations and infrastructure, and is asking for small increases to support these activities as well.

Medical Product Safety

The FY 2015 Budget provides a program level of 2.6 billion, which is $61 million above the FY 2014 Enacted level, to continue core medical product safety activities across FDA programs. Within this amount, FDA will invest $25 million in budget authority to enhance pharmacy compounding oversight activities in FY 2015, which will significantly benefit public health and safety. It also includes $4.6 million for proposed International Courier user fees.

In 2012, a fungal meningitis outbreak associated with a compounded sterile drug resulted in 64 deaths and over 750 cases of infections across 20 States. Since September 26, 2012, 28 firms ceased sterile operations. Since that time, FDA has learned of at least 20 compounders that may have shipped contaminated drug products, and has received at least 125 reports of adverse events, including serious infections, associated with drugs

produced by compounders. As of March 6, 2014, FDA is aware of 40 recalls by compounding pharmacies, including some recalls overseen by FDA, and others overseen by a State. . These statistics demonstrate the magnitude of the problems with compounders' sterile operations.

FDA intends to continue risk-based, follow-up, and for-cause inspections of compounding pharmacies to identify pharmacies with deficient sterile compounding practices. FDA is also encouraging purchasers of compounded products to buy from registered outsourcers, a new category of compounder created by the DQSA and that will be subject to enhanced FDA oversight and federal quality standards.

Food Safety

The FY 2015 Budget provides a total program level of $1.48 billion for food safety, which is $263 million above the FY 2014 Enacted level. Within this amount, FDA will invest $24 million in budget authority to further advance recent gains in food safety modernization through implementation of FSMA. A majority of the increase is the result of new user fees, including $60 million in Food Facility Registration and Inspection fees, and $169 million in Food Import fees.

With the requested increase in budget authority, FDA will be able to develop guidance and provide technical assistance for industry, provide technical support for FDA inspectors, and begin to implement training for FDA and state inspectors. If the proposed user fee revenue is authorized and appropriated, FDA will be able to undertake the wider array of activities needed to fulfill the food safety modernization goals of FSMA, including retraining of the federal and state inspection force, training and technical assistance for small and mid-size growers and processors, and building the modern

import oversight system mandated by FSMA. The implementation of the broad preventive controls framework mandated in FSMA will reduce instances of foodborne illness seen recently as a result of *E. coli* O157 contamination of pre-packaged salads, *Salmonella* and *Listeria* contamination of cheese products, and *Listeria* contamination in cantaloupe, and minimize the market disruptions and economic costs inflicted by illness outbreaks and significant contamination incidents.

Infrastructure

Within the funding for medical product and food safety, and medical countermeasures, FDA requests a program level increase of $5.8 million for infrastructure. Infrastructure includes GSA Rental Payments, Other Rent and Rent Related costs, and White Oak Consolidation.

Current Law User Fees

Within the funding requested is a $75.4 million increase for current law user fees, which will allow FDA to fulfill its mission of protecting the public health and accelerating innovation in the industry. The user fees collected will support the review and surveillance of human and animal drugs, medical and mammography devices, food and feed, color additives, export certification, and tobacco products. The request includes statutorily mandated increases for many existing programs, which will expand the available options for treating and curing diseases and will fund strategies to prevent and reduce the use of tobacco products by young people and reduce the burden of illness and death caused by tobacco products. Some of the amount requested supports infrastructure costs associated with current law user fee programs.

IV. Conclusion

FDA's oversight of our food and medical products supply is indispensable to the health and well-being of every American. We carry out our broad public health responsibilities effectively and with few taxpayer dollars – even as those responsibilities are expanding as a result of new legislation, technological advances, and a globalized marketplace. Our FY 2015 Budget targets our spending efficiently, on programs that are essential to providing Americans with the safe foods and effective medical products they expect. We look forward to answering your questions today and to working with you in the coming year.

Mr. ADERHOLT. Thank you, Commissioner. I want to talk a little bit about the FSMA budget request and the progress in food safety. I mentioned in my opening remarks that FDA had received substantial increases for food safety over the past few years. The fiscal year 2015 budget asks for another $24 million, as we discussed, in new budget authority for the implementation of the Food Safety Modernization Act.

In addition to the budget authority request, you have requested approximately $260 million in proposed user fees. The justification is a bit slim on the details, but as I mentioned, it does mention a few broad categories associated with the $24 million request, including standard-setting, technical support for FSMA implementation, training, Federal/State integration, risk assessment.

The question that I have, is if the committee were to approve the $24 million in new budget authority, can you give us details for the subcommittee on how the money would be spent in each of these areas without duplication, and why such funds would be necessary since the final rules will be delayed for another year?

FSMA

Dr. HAMBURG. Well, as I think you know, the Food Safety Modernization Act is really a landmark piece of legislation that calls on the FDA to really transform our food safety system, to transform it into one that reflects the realities of modern life, including globalization and the importance of imports; and also to shift our focus to one that emphasizes prevention of problems before they occur rather than responding after the fact, which is, of course, good for industry and good for consumers and health.

At the time the law was passed, the CBO estimated that we would need about $580 million above our baseline in 2010. We have, as you noted, gotten some budget increases since the passage of the Food Safety Modernization Act, but we are still not anywhere near those numbers that CBO put forward.

We did our own assessment and came out at a somewhat lower number, but as noted in the report that the Secretary provided to Congress last year, we still need about $400 million in order to really implement all of the new mandates and authorities in FSMA.

So it is a huge agenda. We believe that we can make really critical progress forward in implementing the Food Safety Modernization Act, but that fiscal year 2015 and the following year, 2016, are going to be absolutely critical for that implementation.

We have moved forward and published the proposed rules in the seven critical areas for implementation. Those rules will be finalized in 2015, but we need to begin now to hire on the new people, to begin the training, to begin the work with the States and extend the work with the States for the integrated system, to continue the critical outreach so that we can make this law as effective and efficient as possible.

And so the budget authority request to you is really a small piece of what will be needed to fully realize the goals of this important legislation. And the President's request, of course, did include user fees. We have been working with industry and gotten indications of support for user fees. But I think you are right. The realities are

that that is a heavier lift and that it will take time to actually make such a program a reality.

So we are really hoping that Congress will understand the critical nature of this law, these new authorities and responsibilities, and the opportunity we have to continue to improve food safety and health and well-being of Americans, and also to support industry so that we can prevent problems rather than have industry suffer unnecessary and preventable costs as well as the human health costs associated with this.

Mr. ADERHOLT. On page 39 of the fiscal year 2015 congressional justification, FDA projects the level of food safety activity in the field for fiscal year 2013, fiscal year 2014, and 2015.

INSPECTIONS

After years of investment in food safety and the Administration's assumption that they would receive $24 million in new funds and more than $230 million in user fees, why would the agency show zero progress in domestic or import testing or inspections?

Dr. HAMBURG. I am not sure what you are referring to. But we have quite significantly enhanced our inspectional activities, including overseas. We actually met the target for FSMA for overseas inspections in the last year. We continue to have a very high volume of testing as well.

And we have begun, as part of FSMA and our routine food safety activities, work in a number of critical areas of capacity-building and training domestically and internationally that will benefit the American public in terms of enhanced food safety.

Mr. ADERHOLT. We may come back to that. But since my time is running short, let me go and ask this. As we have said, the committee cannot authorize user fees, and I think user fees legislation is virtually impossible.

USER FEES

And if you agree—and you pretty much said you agreed with that—why does the Administration continue to propose user fees of $169 million for imported food and user fees of $60 million for food facility inspection and registration to implement FSMA when the Administration has no plan to work with the industry on these fees?

Dr. HAMBURG. Well, we have been working with industry, but it is a process. We have seen, on the other side of the FDA house, in the drug and medical device area, the real benefits of user fees over a period of time.

It took time to get those user fees in place and then time to get the programs really working. But it has enhanced efficiency and predictability that has been very important to industry, and I think that those industries now are supportive and true partners with respect to user fees.

We are working on the food side, but in the meantime, we have an important set of programs to implement. And it is a concern in terms of will we be able to get the full dollar amounts that we need to implement FSMA in the way that Congress really asked us to.

But we are working with industry. We certainly have gotten good input and advice about how to structure user fees in ways that would be meaningful, and we intend to continue those discussions.

FOOD SAFETY

[The information follows:]

Food Safety

Representative Aderholt: And Lastly, for the record—not here, but for the record—can you provide us with more detailed information on how the nearly $78 million provided over the last two fiscal years has been utilized?

Response: The agency has targeted these resources to go towards critical areas related to the implementation of FDA Food Safety Modernization Act (FSMA). Key areas (and some specific accomplishments) include:

__**Standard setting**__: FDA continued development and implementation of regulations and guidance documents that establish a preventive, risk-based system that addresses the manufacturing, packing, and storing of human food and animal food.

FDA has issued the seven foundational proposed rules in FSMA's central framework aimed at systematically building preventive measures across the food system. In 2013 FDA proposed rules to keep produce safe on farms, enact preventive controls in human and animal food facilities, modernize oversight of imported foods, guard against intentional contamination, and ensure safe transport of food. These seven rules, when finalized, will establish a system to help prevent foodborne illness and modernize our food safety system. In addition to proposed rules on Preventive Controls for Human Food and Produce Safety Standards, both issued in January 2013, FDA has:

- Issued a proposed rule on a Foreign Supplier Verification Program, which would strengthen oversight of imported foods,
- Issued a proposed rule on Accreditation of Third Party Auditors, a program that would recognize accreditation bodies, which would accredit third party auditors to conduct food safety audits of foreign food entities and issue certifications,
- Issued a proposed rule on Preventive Controls for Animal Food, which would establish preventive controls for food for animals as well as Good Manufacturing Practices,
- Issued a proposed rule on Intentional Contamination, which would establish measures to prevent contamination of food through acts of terrorism, and
- Issued a proposed rule on Sanitary Transportation of Human and Animal Food, which would establish measures to prevent contamination of food during transport.

__**Integrated food safety system**__: FDA expanded its partnership with the states through contracts and other arrangements that allow state inspectors to ensure compliance with federal food safety standards. The Agency also modified its existing foodborne-illness surveillance infrastructure to

prioritize pathogen detection in the food supply and enhance collaboration with state regulatory partners.

Risk analysis: The Agency updated its risk ranking and prioritization tools (such as iRISK) to enhance risk-assessment models, assist in the development of a food product-tracing system, prioritize resource allocation, and prepare for implementation of the produce safety regulation.

One of the most significant recent scientific advancements was the development and release of an innovative risk-assessment tool, iRISK. The tool automates the time and labor intensive process of developing mathematical models to simulate risk and intervention in food-production chains. iRISK allows for a more comprehensive, rapid risk ranking of many food-hazard combinations and potential solutions and provides regulatory and industry decision-makers with a systematic, faster way of comparing and ranking risks in the food supply and predicting best solutions.

Science for food safety: FDA developed science-based tools and methods to improve detection of pathogens, contaminants, and adulterants, with particular focus on developing alternatives to the water standard and untreated soil amendment (e.g, raw manure) application interval in the produce safety proposed rule.

Scientific partnerships help FDA with its public health decision making, and improve effectiveness and efficiency across the farm-to-table continuum. FDA partnered with the National Center for Biotechnology Information, the University of California, Davis, BGI America, and Agilent Technologies, Inc. to launch "The 100,000 Genome Project," a five-year effort to more quickly identify the source contamination in foodborne illness outbreaks and to keep additional contaminated product from entering the market. The project will entail the genome sequencing of approximately 100,000 subtypes of common pathogens such as *Salmonella*, *Listeria*, and *Escherichia coli*.

Planning and response: Funding for planning and response to food safety problems allowed FDA to develop a network of shared state, federal, and other laboratory partners to investigate potential food contamination events.

Foreign inspections and import exams: FDA provided greater coverage of food imported from other countries.

Stakeholder Outreach and Technical Assistance: FDA has demonstrated its commitment to directly hear from those most affected by the proposed FSMA rules by conducting outreach to stakeholders in the U.S. and internationally. Leading up to, and after the release of the proposed

rules, FDA held public meetings, hundreds of presentations, and multiple listening sessions and site visits.

FDA has also prioritized technical assistance. FDA has established three alliances—the Produce Safety Alliance, Sprout Safety Alliance, and the Food Safety Preventive Controls Alliance—to provide the industry and associated groups with training and educational opportunities related to current best practices and guidance, as well as technical assistance once the regulations are final.

Mr. ADERHOLT. And lastly, for the record—not here, but for the record—can you provide us with more detailed information on how the nearly $78 million provided over the last two fiscal years has been utilized?

Dr. HAMBURG. Certainly.

Mr. ADERHOLT. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman.

PHARMACY COMPOUNDING

In your testimony, you mentioned the compounding reform that is going on, and I know that you are ramping up your oversight activities on large compounding facilities. But I am concerned about the unintended consequences or the spillover to traditional individual, independent pharmacies or drugstores. Are they going to be caught up in this net?

We need to keep the compounding manufacturers separate from the manufacturers, the large-scale from the little guys. And I wondered how you are going to are the little guys and gals that they are not going to be caught up in the big net.

Dr. HAMBURG. Well, I think that compounding pharmacies historically, traditional compounders, have been the responsibility of States to regulate. If you are a corner pharmacy compounding, producing in response to a prescription for an individual patient, not marketing across State borders in high volumes, et cetera, that is really the domain of the State regulatory oversight.

The law that was recently passed helped to clarify the FDA role in compounding pharmacy oversight, including ensuring a uniform approach across States—because there had been a patchwork due to different circuit courts making different rulings on the 503(a) component of the compounding law as it applied to FDA.

And then the new law created a new category of compounders called outsourcing facilities, where companies could choose to register with the FDA if they are producing certain high-risk sterile injectable products. They could register with us, be subject to our oversight, but I think really ensure a higher level of quality and consistency for the healthcare system and for patients.

So we are taking on some new activities. We will continue to work in close partnership with the States as they regulate traditional compounders. But if the compounder really is a traditional compounder, responding to individual prescriptions for specific patients and not producing in high volumes and marketing across State lines, et cetera, then I do not think that our activities will interfere with those compounders in any way unless there was a serious problem and we were brought in to respond to a public health concern, working in concert with the State.

Mr. FARR. So is there a general category—you mentioned the sterile injectables. Is it that category, the injectables, and doing interstate business, that would be subject to this new regulation?

Dr. HAMBURG. Yes. The sterile injectables, of course, represent a higher risk. And it was that kind of a product that was involved in the fungal meningitis outbreak in 2012. And in the law that Congress recently passed, it was identified that a category would be created, outsourcing facilities, where compounding pharmacies

that were making these higher-risk products that chose to register with us, could register with us.

They would then be subject to our oversight, but they would be able to produce, I think, as I said, a product that would be safer and more reliable in terms of healthcare system needs and patient protection.

Mr. FARR. And I understand that to accommodate the new responsibility that you have, that you are going to shift $25 million from other FDA programs. What are you shifting it from? You are robbing Peter to pay Paul. How is that going to affect other compounders or other programs that you are taking the money away from?

Dr. HAMBURG. Well, of course we would prefer to have all new money. But recognizing the realities of the budget environment that we are in, this is such an important area, and this is a new program focus that needs to be adequately supported.

We have taken on more responsibilities in terms of routine and for-cause inspections of compounding pharmacies as well as this new responsibility, as outlined in the legislation.

WHITE OAK

Mr. FARR. Who do you take the money from?

Dr. HAMBURG. So the money is going to come from—because, unfortunately, GSA has been defunded to do construction in fiscal year 2015—that is part of our consolidation on the White Oak campus of FDA people and facilities in the greater Washington area—we can, without robbing from Peter to pay Paul, take $15 million, I believe it is, to support the compounding pharmacy program.

And then we will find efficiencies in other areas to help support the rest of this. But this is such an important program, and I think the entire agency agrees that we need to find ways to make sure that we have the resources to support this new compounding pharmacy oversight.

Mr. FARR. So it comes from your capital outlay program?

Dr. HAMBURG. A big chunk of it does, money that was going to go to outfitting new buildings. But those buildings are not going to be part of the GSA construction budget, as it turns out.

Mr. FARR. Thank you, Mr. Chairman.

Mr. ADERHOLT. We have got Chairman Rogers, chairman of the full committee, is here with us this morning. I would like to recognize him now for any questions he may have.

PRESCRIPTION DRUG ABUSE

Mr. ROGERS. Thank you, Mr. Chairman, and welcome, Dr. Hamburg, to the subcommittee, again, along with your staff. It is good to see you.

We have had many conversations about prescription drug abuse. I chair that caucus in the House because my District really was the ground zero, I guess, of the Oxycontin craze that went on a dozen or so years ago when Purdue Pharma started pumping out Oxycontin in the late 1990s and early 2000s.

It was billed as the next wonder drug. It was intended to treat pain for a 12-hour time release period. But it has caused incalculable pain and death in the form of addiction and overdose, in fact,

when it is crushed so it can be snorted or injecting to create that euphoric high, condensing a 12-hour dose into a split second.

It became extremely addictive, especially for young people. And what was once sequestered in the small towns of Southern and Eastern Kentucky where I live is now characterized by the Centers for Disease Control as a national epidemic. We have all heard the figures, more people dying from prescription drug abuse than car wrecks, for example. So it is a national epidemic, and it continues.

But I have to say that I appreciate your leadership on this issue. I have personally spoken with every commissioner before you about the need for changes at the Federal level to stem the rising tide of prescription drug abuse, and my requests had fallen on deaf ears.

You have certainly heard the call, keeping crushable generic Oxycontin off the street, up-scheduling hydrocodone combination drugs, and ensuring that powerful painkillers are indicated for severe pain only. These were clearly steps in the right direction.

ZOHYDRO

That is why I am so totally perplexed, as you and I have talked, about your decision just the other day to approve Zohydro, a crushable, pure hydrocodone product, last November. Hydrocodone is already the most abused drug in the country, and there has been a bipartisan outcry that this is a step in the wrong direction.

OXYCONTIN

In Kentucky we saw users switch from Oxycontin to Opana in droves when Oxycontin was reformulated to where it could not be crushed or injected or smoked. And we saw users switch from Opana to heroin when Opana was reformulated.

Given those well-noted patterns, Dr. Hamburg, how can you say with any degree of confidence that Zohydro will not be abused or diverted for illicit use, particularly when your own advisory panel cited its addictive qualities, and they voted 11 to 2 against approval?

And yet you went ahead, after all the other problem drugs had reformulated to prevent crushing, and you and your agency had said that, I think, in so many words, we will not approve any drug that does not contain an abuse-deterrent feature like non-crushing, and yet you approved Zohydro. Can you explain that to us?

Dr. HAMBURG. Well, thank you, Mr. Chairman, and thank you for your critical leadership on this important public health issue over so many years.

I understand the concern and confusion that you have, and also that Zohydro is a very powerful drug. It was assessed within the FDA in terms of trying to balance legitimate medical needs for pain treatment with, of course, safety concerns that include addiction potential.

We feel that Zohydro is important in terms of medical needs of patients living with severe pain that requires long-term daily opiate treatment for which no other treatment is adequate, but that it needs to be responsibly used. That is why, after the advisory committee met, they did note the value of the drug.

OPIATE DRUGS

Why it has particular value is that other hydrocodone opiate drugs are in combination with acetaminophen, that carries with it significant liver toxicity. And different patients respond to different opiate drugs differently. If you are having chronic treatment, your response to one opiate drug may wane so that there needs to be a rotation.

And the fact that this drug could be available, with appropriate use, without the concomitant toxicity of acetaminophen, which does create a very serious, potentially devastating, risk to patients, made it really quite unique.

Let me say that we listened carefully, of course, to the advisory committee, their recognition of the legitimate need for such a drug in terms of medical care but safety concerns around addiction potential.

We did not approve Zohydro until we had made labeling changes that really focused on the need for it to be used with severe pain, the need for practitioners to make sure that this was the right drug for their patient, to monitor it in an ongoing way, and also put in place requirements on the manufacturer for ongoing studies about its appropriate use versus misuse or abuse.

It is also Schedule II, which brings with it a range of additional protections, including no refills and a limited volume at the time of prescription; and then security requirements around its storage and monitoring and recordkeeping.

And, of course, it has a black box warning and a REMS, including recommendations of physicians who prescribe it to take a training course on appropriate use. So we have tried to put in place protections that will better ensure appropriate use.

ABUSE DETERRENCE

With respect to abuse deterrence—and I apologize for my long answer but it is a complicated set of issues—there is only one opiate drug in the marketplace now with an approved abuse-deterrent formulation. The science of abuse deterrence, the technology of it, really is not fully evolved. We wish that every product could have an abuse-deterrent formulation. But it really simply does not exist. And as you know, the determined abuser finds ways to overcome many strategies.

So we are trying to incentivize industry. We recently put out guidance on how to develop abuse-deterrent formulations. We are trying to engage the broader scientific community to work on this. We hope that we will be able to have more and more products in the marketplace with abuse deterrence, but we are not there yet.

Mr. ROGERS. I thought we had learned our lesson with Oxycontin. It had labeling restricting its use. But as you say, determined abusers are going to find the drug one way or the other. And until Oxycontin was made non-crushable, a jelly-like thing that could not be abused, until that happened, Oxycontin went crazy even though doctors were only supposed to limit it to people with moderate to severe pain.

To say that Zohydro, which I understand is much more powerful than Oxycontin and gives a greater high than Oxycontin did when

crushed—to say that we can keep the abusers from using that pill because we will put a label on it saying, only for severe pain, we learned that lesson with Oxycontin. It does not work. And you are going to have people die.

Boy, when Oxycontin was at its height, I was going to emergency rooms all the time in my District and seeing young people die from overdoses, not knowing medications, that it was so powerful and addictive. And most of it is coming from medicine cabinets in people's homes that kids get into. And Zohydro, I am afraid, will be the same way.

So I am really alarmed, especially since the company that makes it says that it will be ready to release an abuse-deterrent pill in just two years. They are in the process of making that pill non-crushable, and it will be available shortly. But in the meantime, now, you are putting this pill on the market that I am really scared of.

It is not a question. It is more a statement.

Dr. HAMBURG. Well, I appreciate your concerns. We want to continue to monitor this drug and other opiate drugs in terms of appropriate use. This is something that I think is a critical area in terms of FDA activities, whether it is in moving towards trying to better develop the abuse-deterrent technologies, which really—the crushable, as you know, does not stop the determined abuser. And we are not where we need to be in terms of that formulation.

Importantly, we are putting a huge emphasis, working with industry to try to develop non-opioid analgesics, painkillers, that will not have addictive potential, and I think there is huge opportunity there; and, of course, working in other ways in terms of developing better treatments for addiction.

Mr. ROGERS. Why could you have not just waited for a few months until that company makes this pill non-crushable?

Dr. HAMBURG. It is not clear whether they will be able to come up with a successful abuse-deterrent formulation. Opana tried to and failed. Others have tried to and failed. We believe that the science and technology is advancing so that we will have better abuse-deterrent formulations. But right now, it does not do any good to hope that something that a company may say is abuse-deterrent is abuse-deterrent if it fails the fundamental tests.

Mr. ROGERS. Well, you and all of us forced Purdue Pharma to make Oxycontin reformulate to make it abuse-deterrent. Did the same thing with Opana. So we have taken care of the problem as it rose its head until now.

Dr. HAMBURG. But it actually turned out that the Opana abuse-deterrent formulation really failed to meet the criteria for abuse deterrence. And sadly, we are receiving reports that the other formulation, while it prevents immediate injection or snorting, that there are ways to overcome the deterrence, and of course, over a longer period of time. And it does not prevent oral abuse from continuing as well. So it is an imperfect solution, but it is the best we have.

Mr. ROGERS. Well, your advisory council voted 11 to 2 to not approve Zohydro. The medical community is having very strong reservations about introducing this drug. The American Society of

Interventional Pain Physicians recently endorsed the bill that I introduced along with Congressman Lynch to ban Zohydro.

So you are swimming upstream here in a very dangerous current, I think. But I appreciate and respect your capabilities. I appreciate your fight on prescription drug abuse all along here. And we look forward to victories over this problem.

Dr. HAMBURG. Oh, we will continue to work with you, to work very hard to address what is shared public health goal.

Mr. ROGERS. And I appreciate your coming to appear in Atlanta in April at the National Summit on Prescription Drug Abuse, as you did the last two years. So thank you for that.

Mr. CHAIRMAN. I have overstepped my time. But thank you.

Mr. ADERHOLT. Thank you, Mr. Chairman, for being here. Also, we have the ranking member. We are honored to have her with us today for the hearing. And so, Ms. Lowey, I recognize you.

Mrs. LOWEY. And I would like to thank Chairman Aderholt, Chairman Rogers, Ranking Member Farr. And it is a special pleasure to welcome Commissioner Hamburg.

In her time at the FDA, Dr. Hamburg and I have had the pleasure of working on a number of issues together, and I am pleased that under her leadership, the FDA has advanced several of those efforts following years of delays under the previous administration, including implementing new labeling standards for both gluten-free products and sunscreen.

The FDA has enormous responsibility to assure the safety, efficacy, and security of drugs, devices, the food supply, and cosmetics, and it is vital that the subcommittee provide it with adequate resources.

SUNSCREEN

First let me ask you about sunscreen. As you know, I have been working on that for a very long time. Now sunscreen products must include information on both UVA and UVB, the amount of time a product can protect while swimming or sweating, and can no longer use terms such as “waterproof” or “sunblock.”

This was a great step forward, but there is still so much more that could be done to help consumers. According to the Environmental Working Group, sunscreens sold in Europe include up to 27 chemicals, including seven designed to filter UVA radiation. Meanwhile, products sold in the United States can only use 17 chemicals approved by the FDA, only three of which screen UVA rays. The FDA has not approved a new ingredient since 1999.

So if you could share with us what the FDA is doing to improve U.S. sunscreens. Does the FDA have the funds it needs to evaluate new sunscreen ingredients?

Dr. HAMBURG. Well, thank you for your question. It is such an important topic, as you know. Melanoma is a very serious killer in this country and a preventable disease. The rules that you mentioned have been important in advancing sunscreen protections for Americans, but we do need to make more progress with respect to the ingredients.

And I think that there are a number of things that we are trying to do. We have created a dedicated team to work on the issue of ingredients, but it is a small number of people. And historically,

these are some of the kinds of reviewers and scientists that have been stretched to cover many different issues and to work on competing priorities.

But we are very focused on this ingredient issue and trying to go through the time and extent analyses that are required to enable us to put new ingredients into sunscreens. As you noted, there are eight ingredients that are presently being looked at. We just went back on two ingredients to ask for more information to demonstrate safety.

We do feel that by really focusing on this and working more closely with industry, we hope we can get both better information from industry about what we need to make our regulatory decisions and we can be more efficient.

We also do think that the regulatory framework that we currently have, the legal regulatory process, is more cumbersome than it needs to be, and we would like to be able to streamline that. And that includes not just the time and extent application process, but also the over-the-counter monograph process that it is embedded in, which relates to a broader set of over-the-counter products.

We are actually taking a very hard look at that, including a public meeting, I think a two-day meeting, that began earlier this week, to really see what we can do there to strengthen our programs to make them stronger and more efficient.

FOOD SAFETY

Mrs. LOWEY. In your budget request, you are again proposing to raise a significant amount of money from food safety user fees. Michael Taylor, your top food safety expert, recently testified that these large increases are needed to implement the Food Safety Modernization Act. His exact words were, "We can put the rules on the books, but where we lack the resources and where the fees would be essential is in implementing the rules."

Regardless of the arguments in favor of the proposal, I think it is safe to say that it is highly unlikely they will be authorized, even if we were to fully fund your discretionary appropriations request, as we did for 2014. You are still short of what is needed for a vital service.

Do you need more than the $24 million proposed increase you requested in discretionary funding for food safety?

Dr. HAMBURG. To make the kind of progress that we want to make in terms of implementing the Food Safety Modernization Act and the new roles and responsibilities and authorities that Congress gave us to do something that I think is truly important for health and safety in this country, we do need to amount requested in the President's budget overall.

I had mentioned, I think before you came in, that at the time the bill was passed, the CBO had actually estimated that we needed some $580 million over our fiscal year 2010 budget to really implement the Food Safety Modernization Act. We think we can do it more efficiently. We are committed to doing it more efficiently, and that there are important ways to leverage resources and find efficiencies.

But we do need real dollars to undertake some of the critical components of this important new law, and that includes being

able to hire and train the personnel needed; being able to work with the States and create the integrated food safety system that is really necessary; to strengthen the State programs through training and capacity-building; to provide technical assistance and guidance to industry to make this transition to a new prevention-based food safety system as meaningful and efficient as possible; and, of course, really having to put in place a whole new system for food safety as it relates to imported foods.

GE LABELING

Mrs. LOWEY. With limited time, I am just going to ask one more question. But I am particularly interested in the imported food issue as well.

The Congressional Research Service says that an estimated 60 to 70 percent of all U.S. processed foods probably contain some genetically engineered material because there is so much corn and soybeans in the processed foods we eat.

I strongly believe that consumers have a right to know what they are eating. I know that FDA has said it supports voluntary labeling. But I would support mandatory labeling of foods as to whether they are genetically modified. Would you review for us how FDA currently approaches GE labeling?

Dr. HAMBURG. Well, as you noted, we have supported voluntary labeling. And we put out a proposed guidance with respect to plant-based genetically modified foods, and we hope to finalize that soon.

With respect to mandatory labeling, the way that, over many, many years, FDA has interpreted the law, and it has been supported by the courts, is that mandatory labeling really is appropriate and required when there is a false claim or misbranding; that the fact that the food contains GE materials does not constitute a material change in the product unless—a material change meaning in the nutritional content, the performance of the food, the taste, the aroma, et cetera——

Mrs. LOWEY. Are you convinced that is the case?

Dr. HAMBURG. This is an area that obviously is very much on the minds of many Americans, and the subject of a lot of discussion and some controversy. There have been a lot of very credible scientific organizations that have looked hard at this issue over a long period of time.

We have not seen evidence of safety risks associated with genetically modified foods in terms of health. Others have looked at environmental issues. It is an area that deserves further discussion and further study. We do think that a voluntary approach to labeling makes a lot of sense because for people who have the describe to avoid GE foods, this would give them the opportunity to choose.

But from a scientific and safety assessment point of view, we do not currently believe that the fact that there has been genetic modification of a food product makes it a material change to the product in terms of its nutritional or other qualities unless—there are some instances.

For example, if a genetic engineering approach introduced a potential toxin that would not normally be in that food product such as a peanut toxin into an oil or a tomato or whatever, then we would require labeling of the potential for exposure to this toxin be-

cause that would be a material change that would create a health or safety concern.

Mrs. LOWEY. Are there tremendous pressures on the FDA to keep it voluntary rather than mandatory? If people want to know, I cannot understand why it cannot be labeled accurately.

Dr. HAMBURG. Well, I think there is a desire to operate within our legal regulatory framework in terms of when a mandatory label is appropriate versus a voluntary label. And that is what—but it is an area of ongoing discussion, of course.

Mrs. LOWEY. Is it not problematic that many countries—Europe in particular—do require accurate labeling?

Dr. HAMBURG. Well, Europe has a very different attitude toward genetically modified food. Their food safety agency, I think, has looked at the issue, and from a food safety point of view has issued reports that are more reflective of what I was saying earlier. But the European people have made a determination that they really do not want genetically modified foods.

Mrs. LOWEY. Well, I will not pursue this today. But it is beyond me that we cannot have accurate labeling. And I do hope that we can pursue this. The labeling cannot hurt anybody, but it is possible that the lack of adequate labeling could. Thank you very much.

Mr. ADERHOLT. Thank you, Ms. Lowey.

Mr. Nunnelee.

Mr. NUNNELEE. Thank you, Mr. Chairman. Thank you, Dr. Hamburg, for being here.

GLOBAL SUPPLY CHAIN

In your testimony earlier this month before the Senate Committee on Health, Education, Labor, and Pensions, you noted the FDA's broader strategic effort to deal with increasing globalization of food and medical products that are regulated by the FDA.

How is the FDA going to take into account the impact of the processing and clearance time for such food and medical products that are regulated by the FDA—many of these are time-critical and temperature-sensitive—to make sure they are not held up and prevented from reaching their intended recipients in a timely fashion?

Dr. HAMBURG. Well, of course the global supply chain does complicate our lives in terms of just what you were saying, in terms of ensuring safety and quality. And it has required us to rethink and reorganize in critical ways. We recognize the importance of moving many of these commodities quickly because of their very nature—fresh fruit and produce, seafood, and other things.

But we are trying to have a very systematic and thoughtful approach that will strengthen our screening at the borders in terms of using risk-based, highly data-driven, and computer-based systems that recognize the nature of the commodity and other circumstances, including the history of the manufacturer and the exporter and the importer, et cetera, and other factors that could contribute to the risk of a product, but really helping us to identify which are the things that require onsite physical inspection and which are the things that can move quickly through.

So that, I think, has been very important. A program called PREDICT is the foundation of that. But we recognize that simply trying

to screen things at the borders when we have so many ports of entry, for one thing, and the volumes of imports, are increasing so dramatically and so rapidly. We need to push our presence beyond our borders, and we are working much more on a regional basis and in-country basis to do both inspections and work with manufacturers where the food is being produced; work with our counterpart regulators to ensure that they understand our standards for foods that will be consumed in America by Americans; and working with industry in those countries and regions and, of course, multinational companies as well to ensure adherence with standards.

We are trying hard, as well, to harmonize standards and approaches across nations so that we can essentially better share information and workloads since we are not the only country that is struggling with how do you deal with increased volumes of imported food and these more complex supply chains.

But Food Safety Modernization Act has been very valuable in terms of giving us new authorities, in terms of our global enterprise, and I would say we have made real progress and importantly through partnership, including partnership with unexpected partners in some ways, such as the World Bank, to try to help enhance regulatory capacity in parts of the world that are producing many of these imported foods, but do not have the kind of regulatory capacity that is really necessary to ensure that they meet standards.

MEDICAL DEVICES

Mr. NUNNELEE. All right. I am primarily interested in medical devices that are coming in.

Dr. HAMBURG. Okay.

Mr. NUNNELEE. Is there room for improvement with your computer modeling?

Dr. HAMBURG. Yes. You know, it certainly applies across product areas. It began with more of a focus on foods, and I apologize. I thought that was what your question really was.

But also it applies to medical devices, which are increasingly being made in whole or in part in other countries, but they are really working with the manufacturers, with regulators in those other countries, and striving for this greater harmonization and information sharing and workload sharing I think is going to be the most effective approach.

Mr. NUNNELEE. We should be making sure Americans need medical devices and they are not held up coming in.

Dr. HAMBURG. Absolutely.

THREE PARENT EMBRYOS

Mr. NUNNELEE. All right. Recently FDA held an Advisory Committee meeting on three parent embryos, and in the process, the FDA specifically said that you recognized they are issues that could have the potential to affect regulatory decisions, issues relating to ethical and societal issues, but that these issues are outside the scope of your meeting and as a result you focused on how to create these three parent embryos as opposed to whether or not they should even be created.

So my question is: when is it appropriate to have that debate? And should we not talk about whether we should be doing this before we talk about how to do it?

Dr. HAMBURG. Well, let me begin by saying that the three parent embryo was a newspaper headline, not exactly what this is in the sense that this is a technology that is being developed to reduce mitochondrial diseases that are very devastating to the kids of mothers with these conditions. It is a technology that is developing, and it is being looked at not only in this country, but in other countries.

The purpose of this meeting was not, you know, to move to the next stage of development and implementation, but to really better understand what the issues are, you know, certainly where the science and technology is, and what are the potential benefits, what are the risks.

But, of course, we recognize that there is a broader set of ethical issues. We would not move forward without making sure that those were addressed. FDA is not the proper agency to take on all of those issues, and we are exploring other venues for fuller discussion of those issues, but this, like many emerging technologies, is one that raises a complex set of challenges, both scientific and legal and ethical.

Mr. NUNNELEE. So when and with whom do we discuss these ethical issues?

Dr. HAMBURG. Well, we are, you know, looking at the various kinds of options for how to have a fuller discussion of the ethical issues. I would suspect that Congress may take an interest in these as well, but we are intending to identify a forum to very specifically look at the ethical issues in the context of what this technology could be, what are the needs, what are the risks, and of course, what is the ethical context is critically important for that.

And as I said, we are not the only country that is looking at this. It certainly is, you know, one of those frontiers of science and medicine that could offer opportunities, but also raises asset of, you know, very, very serious issues.

Mr. NUNNELEE. All right. Thank you.

Mr. ADERHOLT. Mr. Bishop.

Mr. BISHOP. Thank you very much.

And welcome, Ms. Hamburg. It is a delight to see you again. I congratulate you for your efforts to do a lot with a few resources, and we continue to add responsibilities to you, and I hope that you will be able to manage those additional responsibilities with the resources that we provide.

I want to call your attention to the Food and Drug Administration Safety and Innovation Act. I will call it FDASIA, which was signed into law July 9th of 2012. One of the most important elements of that was to apply the lessons learned from meeting the needs of people with HIV-AIDS and cancer by using accelerated approval. The fast track therapies are in the hands of patients who otherwise are facing certain death.

RARE DISEASES

In FDASIA, we directed FDA to make use of this same authority to address the urgent needs of orphan and rare disease popu-

lations. I have heard from constituents, as well as from scientists in the Duchenne muscular dystrophy community that there is a first potential therapy, Eteplirsen, in the pipeline that could and in their view should be considered for accelerated approval.

Based on 120 weeks of data, there have been no adverse effects to patients and strong signs of efficacy. Top scientists who have dedicated their careers to this disease say they have never seen results like this.

Just like people with HIV-AIDS in the 1980s, right now children and young adults with Duchenne face certain death, and there is no therapy, and the longer that these patients wait, the more muscle function and mobility that they lose and capabilities that they will not be able to get back.

FDASIA's often and rare disease provisions would seem to apply to a condition like Duchenne. Would you not agree? And if so, what is the hold-up and when will FDA make a decision on how to proceed?

And when can I tell my constituents that FDA is going to Accelerate approval of Eteplirsen for the treatment of DMD?

Dr. HAMBURG. Well, this is a very important arena both in terms of Duchenne muscular dystrophy as a devastating disease for the children and their families, and there are advances in science that really represent potential opportunities for transformation of the disease condition if we can really develop a drug that addresses that underlying mechanism of disease.

We have had a very intensive interaction with both the manufacturer and the broader community around the development of new products in this area. I would say it has been one of the most remarkable engagements in some ways of senior level medical scientists within FDA and our review team. You know, we are looking very closely at what are the best clinical trial designs.

Certainly we want to find a way to understand the product and its benefits and any safety issues in as rapid a way as possible. I think we are making progress. You know, obviously I cannot speak to the specifics of a particular product under development, but we are very, very committed. We are working hard on it, and as I said, there has been a huge amount of focus and engagement on this and we hope a huge amount of opportunity to make a difference around this important disease.

Mr. BISHOP. Will you go back and really look at the potential for helping these people who are suffering with DMD from Eteplirsen I think is what it is called.

Dr. HAMBURG. No, I know exactly what you are talking about, and I can assure you that we are deeply engaged and very committed to trying to find treatments, hopefully cures for this devastating disease.

ANTIMICROBIALS IN FOOD ANIMALS

Mr. BISHOP. I want to move quickly to another food safety issue. I applaud the recent efforts to phase out the use of medically important antimicrobials in food animals for production purposes, such as to enhance growth and improve feed efficiency and to bring the therapeutic uses of such drugs to treat and control and prevent

specific diseases under the oversight of licensed veterinarians, particularly with the recent release of Gattens No. 213.

It appears that you are, however, reinventing the wheel when it comes to your plan to collect antibiotic use data and conduct other research to better understand antimicrobial drug use practices in animals and the public health impacts on antimicrobial positions. That is a quote.

NARMS

Particularly in light of I think the chairman's comments earlier about duplication. Is this not a duplication of the National Antimicrobial Resistance Monitoring System, NARMS, which was established in 1996 as a partnership between FDA, the Centers for Disease Control, and USDA to track antibiotic resistance in foodborne bacteria?

Dr. HAMBURG. Well, NARMS is an important tool that we have, but we think that we need to continue to build on it and extend it. There are advances in science that give us, for example, new tools. The ability to do whole genome sequencing, for example, can provide much greater insight into organisms, resistance patterns, and——

Mr. BISHOP. You cannot do that under NARMS?

Dr. HAMBURG. Well, we need to build on NARMS and we need to bring new aspects into it, and with respect to some of the data collection that I think you are referring to, you know, we have historically looked at volumes of antibiotics sold for use in animal care settings.

We think there is great value in drilling down a little bit into that data and not just how many tons of antibiotics are being used in feed, but for what kinds of animals and what kinds of purposes, et cetera.

So I do not think we are duplicating effort. I think we are striving to deepen knowledge and understanding so that we can get the most meaningful answers, so that we can actually target our resources and our efforts in the best possible way to make a difference for both animal and human health.

Mr. BISHOP. It would seem as if you would want to target it, but if you were able to streamline and combine both of those into one it should help you, but it should also help your budget if you're able to consolidate those efforts. Still drill down, but you already have NARMS as a basis to act on, which has been in existence since 1996.

Dr. HAMBURG. Well, it will remain an important framework, but we can and must do more.

Mr. ADERHOLT. Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman.

And welcome. Before I start I want to extend my sympathy to the Gentlelady from Connecticut because UCON is going to lose to Iowa State tomorrow night.

Ms. DELAURO. In your dreams.

Mr. LATHAM. Hey, come on. [Laughter.]

GENETICALLY MODIFIED FOOD

Whoa, Rosa. Okay.

Ms. Lowey brought up a subject that I am very concerned about and the genetically modified. Just this Tuesday we had a statue of Norman Borlaug put in Statuary Hall representing the State of Iowa. He saved a billion lives by genetically modifying wheat to make it grow in areas of the world where they could not produce an adequate supply of food.

And the idea of somehow some characterization about what genetically modified food is or some kind of an abstract reason for putting people through a whole bunch of hoops and hurdles to label that and not knowing what is in I think is misguided myself, and as you said, there is no scientific basis for concern unless there is something, a toxin or something that has been introduced.

Mr. Nunnelee's question about three parent children, do we have to label them? Are they not genetically modified? Would they not be? Would they?

Dr. HAMBURG. Well, they would be genetically modified.

Mr. LATHAM. Well, you know, the same rationale. Maybe that is going obviously to the extreme, but I think we had better be real careful about undermining the tremendous advances that have been made in supplying this world.

We're going to have, what, nine billion people on earth here by 2050, and the way we are going to feed them is to improve plant varieties, varieties that are tolerant to diseases, tolerant to pesticides which would make the use of pesticides much less a problem.

So I just want to say we had better be very, very careful.

To get on another subject that is of great concern to the State of Iowa and soybean producers, there is a process you put in place talking about soybean oil, trans fats, that it would not be generally recognized as safe, which to me is not correct. They have made huge advances as you are probably keenly aware as far as trans fats, reducing that by about 68 percent in the last ten years, and I know the Soybean Association and interested parties who wanted to work with you.

I do not know if you have any update regarding the regulatory process you are going through, and I hope there is a consideration of what the economic damage would be. You are going to be replacing that with imported products, palm oil from elsewhere around the world, and it would have a huge impact as far as soybean production in this country.

Dr. HAMBURG. Well, as you noted, we did take a preliminary regulatory action not too long ago in terms of whether trans fats were generally recognized as safe as a component of the food supply. The comment period for that just recently closed.

We got about 1,600 comments, I believe, and very substantive comments on many aspects of it, including, you know, some of the technical formulation issues when you are, you know, producing certain kinds of food products, some of the economic issues and, of course, you know, safety and public health issues, the whole range of comments.

So we are reviewing those and obviously taking them very seriously. We expect we will have some continuing discussions with the range of stakeholders who have an interest in this, trying to deepen our understanding before we would go forward with a final proc-

ess, and you know, so we will obviously be as transparent as we can be in that process, and we certainly have heard some of the kinds of concerns that you have raised.

And there would always be an avenue for companies to pursue in terms of petitioning us to demonstrate an appropriate use with science to support that use and a reasonable certainty of no harm from the ongoing use of the food additive. So, you know, there is that pathway.

But there is also the continuing regulatory process that is underway.

Mr. LATHAM. Well, there is, you know, a lot of work being done as far as commercializing the high oleic soybean oil and which would probably alleviate a lot of your concerns, but it is going to take a little more time, and certainly I would hope that you would be willing to work with the industry to make sure that we do not have the huge negative impacts.

TRANS FAT

Dr. HAMBURG. And I would applaud the industry for having already taken many steps forward to reduce unnecessary trans fats in the American diet through reformulations of food, which really began in 2006 when we asked for it to be listed on the nutrition fact panel, but huge progress has been made because, you know, we know it does contribute to health risk.

Mr. LATHAM. Mr. Chairman, I think in the interest of my colleagues here, I have got some other questions, but thank you very much for the great communications, and I appreciate all you do.

So thank you.

Mr. ADERHOLT. Sir, if you want to submit those for the record, we will be happy to include those.

Ms. DeLauro.

Ms. DELAURO. Thank you very much, Mr. Chairman.

And welcome. It is wonderful to have you here, and thank you for the great work of the FDA.

Let me first, and I think Chairman Rogers would really not believe this, but I want to associate myself with the comments that he made on Zohydro because I think it really is a recipe for serious disaster.

To that end, the chairman, myself, and Mr. Runch have just written to the IG asking for a report on looking at corporate pharmaceutical interests in the regulatory process. So, again, we believe very, very sincerely that this is going to create more havoc and lead to people dying, when we have an opportunity at this juncture to be able to turn it around.

So I thank the chairman for his leadership in this effort.

I also want to make a point that I think if we are just taking a look at—and do not misunderstand this. The NASA budget, the request for this year is, I think, $17.8 billion. The FDA budget request is $4.7 billion. I like NASA. I am happy for the things that they do, but the FDA regulates 20 percent of the consumer dollar, 20 percent of the consumer dollar.

The request for this year, between NASA and the FDA, NASA is four times what the FDA is looking for to implement in large

measure the Food Safety Modernization Act, which we have demanded and said, “Do it.”

Now that leads me to I think it is stunning when you take a look at the agencies and who is doing what, and critical necessities, but I think you have to evaluate food safety, public safety, life and death issues, you know, that are very important here.

Anyway, my question though to Dr. Hamburg is I really wonder. You said 580 was OMB. I want to know what you need. We know here that user fees are fine, except that it is what, the fourth time in a row we are asking for user fees, and everybody believes it is not likely.

FOOD SAFETY

So what is the amount of money that you need in order to be able to carry out what we have asked you to carry out on food safety modernization from whatever source, from whatever source that we get this money from? What do you need to carry out this effort?

[The information follows:]

Representative DeLauro: So what is the amount of money that you need in order to be able to carry out what we have asked you to carry out on food safety modernization from whatever source, from whatever source that we get this money from? What do you need to carry out this effort?

Response: The FY 2015 President's Budget request includes the total resources FDA would need to carry out its food safety activities, including FDA Food Safety Modernization Act (FSMA) implementation. The Food and Veterinary Medicine (FVM) Program has requested $1.313 billion in total resources. FDA has proposed that these funds would be composed of $1.048 billion in Budget Authority and $265.833 million in user fees. This funding level would represent an increase of $240.347 million over FY 2014.

One of the agency's highest priorities is developing a modern domestic and imported food safety system envisioned in FSMA; a system that is capable of preventing rather than reacting to foodborne illness. The increase proposed in the FY 2015 budget request, would go a long way towards closing the FSMA implementation resource gap.

Although most of the money would come from user fees in our proposal, more important than how the money is raised is that we obtain the needed funding. Although we can issue the rules with current resources, we will not be able to effectively implement them, and improve food safety, without new resources to retrain inspectors, provide guidance and technical assistance to industry, partner with State agencies, and build the modern import safety system Congress mandated.

MS. DELAURO. That is the question that I have, and if we do not have the funds to do what you need to do, what are the consequences of that very seriously? And there may be some I do not believe on this panel that say, “Well, if it fails, it fails. It did not work.”

[The information follows:]

Representative DeLauro: That is the question that I have, and if we do not have the funds to do what you need to do, what are the consequences of that very seriously?

Response:

Without the additional funding FDA will be able to issue the FSMA rules, but will unable to effectively implement them, and improve food safety. Without new resources FDA will not be able to effectively retrain inspectors, provide guidance and technical assistance to industry, partner with State agencies, and build the modern import safety system Congress mandated.

In terms of the proposed user fee funding specifically, FDA would be able to develop and expand the following activities:

- Improving and expanding FDA's inspections, with a focus on training state and local public health partners;
- Implementing the new import food safety system mandated by FSMA, including the proposed third-party auditor/certification body program and the new Foreign Supplier Verification Program;
- Improving the Agency's cross-cutting science infrastructure to expand FDA's research capacity to better detect contaminants and to improve scientific knowledge of food contamination and prevention;
- Developing an integrated national food safety system that allows FDA and the states to respond more rapidly to food safety problems, eliminates any unnecessary duplication of regulatory activities, and establishes shared regulatory standards to ensure consistent oversight;
- Expanding FDA's outbreak response capacity to identify sources of foodborne illness more rapidly, thus greatly reducing the impact of such outbreaks on public health and the economy;
- Implementing a risk-based resource allocation system to help FDA ensure effective and efficient interventions; and,
- Developing a modern Information Technology capacity to support risk analysis, effective resource allocation, and increased communication with FDA's regulatory partners.

Ms. DELAURO. But there are some who are of that view, but that is not what our view is here. What do you need in order to go forward? What do we lose if you do not get that money?

Dr. HAMBURG. Well, thank you very much, Congresswoman DeLauro, for that question and also I share your disbelief at times at the disconnect between how important and unique our agency is to the health and well-being of the American people and, you know, what we are, in fact, resourced to support our critical work.

I think you were not in the room when I was asked an earlier question, and I committed to submitting to all of you an outline of what do we need and what would it be used for, but I would just say that, you know, the request before you in terms of the overall budget number does reflect what we think we really need to do a meaningful next step in the implementation.

Ms. DELAURO. So we could give you this money and budget authority versus user fees.

Dr. HAMBURG. You know, to me, frankly, money is money. We have——

Ms. DELAURO. Well, to me FDA is more important than user fees because user fees come often with a price tag and a quid pro quo, and I am tired of quid pro quo in these efforts.

Dr. HAMBURG. Congress has given us a set of very important and serious responsibilities to implement the Food Safety Modernization Act, which will matter for the health and lives of individuals and communities and, you know, frankly, for the health of industry. It will make all of us stronger.

We can only do so much with limited resources, and we will provide you with——

Ms. DELAURO. Please get us what you need. In that set of circumstances, those who want to can advocate for that and make all of the contrast with other agencies which have a great mission, but not the same kind of mission for 20 percent of that consumer dollar that you have so that we can fight for that money.

My view is BA, you know, versus the user fees. You know, insanity they say is described as repeating the same thing over and over and over again. How many times are we going to put this thing in for user fees and then it just does not happen?

So please be direct, clear and to the point about what you need. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Yoder.

Mr. YODER. Thank you, Mr. Chairman.

Dr. HAMBURG, thanks for coming to our hearing today. Thanks for your efforts to protect consumer safety and ensure that we are getting good products to market, that have been reviewed properly and in an expedited fashion. I think we certainly share a lot of the same goals and appreciate your work at the FDA.

E-CIGARETTES

I want to talk to you a little bit about some innovative technology that has the potential to improve the health outcomes of millions of Americans. There is a significant and growing body of science that shows that the health risks associated with smoke free tobacco products are significantly lower than the risks associated with ciga-

rette smoking. The science on this is obviously still developing, and many public health experts think that the e-cigarette is an innovation that can help save the lives of smokers by helping them quit smoking altogether.

In a recent piece in the New York Times, researchers from Columbia University said that "research suggests that e-cigarettes may be better at helping to sustain smoking cessation than pharmaceutical products like nicotine patches or gums."

Under Section 911 of the Tobacco Control Act, your agency will soon issue regulations to assert jurisdiction over the devices. What are your efforts in that regard?

What are your thoughts in terms of the future of these e-cigarettes?

And how will you work to ensure the agency does not stifle this innovation that has happened around this category so that smokers may have access to what appears to be a less harmful alternative to smoking cigarettes?

DEEMING RULE

Dr. HAMBURG. Well, as you know, the Tobacco Prevention Control Act did give us the authority to extend oversight of tobacco products beyond what was specifically mentioned in the original legislation through what we now call a deeming rule, and we have been working to propose a deeming rule which would actually give us officially the authority to oversee e-cigarettes, which we do not currently have, but we think that is very important.

But we also think that any regulatory decision making that we undertake should be based on good, solid scientific data. And towards that end we have actually made some very significant investments in research to help us better understand this important tobacco product area, including grants to a number of academic institutions and creating centers for tobacco science research and funding with partners in government, particularly the NIH, to undertake a major longitudinal study to better understand behaviors and also potential toxicities and other impacts of different kinds of tobacco product use.

So we are, you know very actively engaged. As you know, it is a debate within the public health community and beyond in terms of what is the role of e-cigarettes, but I think they are very much in the marketplace today. I think FDA should have some tools for oversight, and we need to work in a science driven way on what is then the appropriate regulatory approach.

CIGARS

Mr. YODER. Well, I appreciate that, and I think many of us share that same mission, and we just look, I think, to your guidance as to how the public can be aware of maybe some less harmful alternatives, that if the FDA were to issue some guidance there that you intend to do, it appears, I think that would go a long way to giving guidance to folks in the country who are not sure yet.

So I appreciate your efforts in that regard.

I have had some concerns just on the topic of smoking, I guess; I have had some concerns from local Mom and Pop cigar shops. They are very concerned about the pending regulations that may

come forward that would bring cigars into the tobacco products the FDA would regulate. Many of them are concerned that it may actually put them out of business.

Can you speak to that a little bit and your efforts to ensure that we understand maybe some unique natures of some of these local folks that are in all of our districts?

Dr. HAMBURG. Well, with respect to cigars, that would be part of the deeming rule that we would be hopefully putting forward for public comment very soon, and certainly we have heard a variety of concerns as we have been shaping this proposed rule about aspects of cigars, including premium cigars, in particular.

SPENT GRAINS

But I think that our responsibility is to address a set of critical public health concerns, looking at the context of what is being used and how it is being used. We believe that, again, it is very appropriate for FDA in the context of the authorities that it has given us for oversight of tobacco products to take that on, but then we need to work in a systematic way in terms of what it looks like and how it is implemented.

Mr. YODER. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. Pingree.

Ms. PINGREE. Thank you, Mr. Chair.

Thank you very much for being here today and for the work that you do on behalf of American consumers.

I have a somewhat unusual question, I think, but one that I have been hearing a lot about from farmers in Maine as well as our beer brewers. So there was a newspaper report last week that the FDA has proposed a new rule under FSMA that threatens a partnership between farmers and beer brewers that have been going back hundreds of years. It sort of works like this.

The brewers, you know, make the beer, and as a byproduct there are barrels full of heavy, wet spent grains that have some of the sugars and proteins extracted during the brewing process. There is no real usefulness in the spent grains for the brewer. So they generally give them to nearby farmers who use the spent grains as feed for the cows.

If the brewers did not give away the spent grains, they would end up in a landfill, a financial burden to the brewers as well as an environmental cost. It is kind of a handshake agreement that strengthens our communities and is a good economic win-win for everybody.

One example in my State, and I particularly love the name of this farmer, his name is Norm Justice. He takes all of the grain, the spent grain from Allagash Brewing Company, which I hope you have all had an Allagash beer sometime, and he feeds it not only to his own beef cattle, but distributes it to other dairy farmers around the State who feed literally thousands of head of cattle with it.

When the supply of spent grains runs low, then they have to buy very expensive feed, particularly for us because most of it comes from the Midwest.

So this partnership, which has existed as long probably as agriculture and beer have existed, appears to be under attack in this rule. The proposed rule is aimed at ensuring the safety of animal feed for animals, consumable food, and ensuring the safety of animal food for humans handling the food, particularly pet food.

So this would require the brewers to dry it, to package it, to analyze the spent grains, all doing this without ever touching it with human hands. So I know that we all want very safe food for our pets. I understand the importance of that rule. We all want safe food for our livestock, but to us this rule seems that it has kind of gotten absurd in this particular area.

One of the farmers mentioned in this particular article in the Bangor Daily News. His name was Jack Perry of Fairview Farm. He said he relies on spent grain that he receives from the Gagin Brewing Company, and he would not be able to stay in business, which as you know is very tough for our dairy farmers, if he was not able to do this.

The process of beer producing is already very heavily regulated to ensure that the beverage is safe for people to drink. I am not really sure how we can say that these grains are good enough to produce something for human consumption and then on the other side it is not safe enough to feed a cow. And it is very hard to explain this to my constituents or my dairy farmers.

So is there any evidence with the FDA that a cow has become sick after eating spent grains?

We have so many legitimate concerns for food safety, which everyone is working very hard on. Why are we focusing on this particular rule?

Can we talk about this?

Dr. HAMBURG. Well, thank you, and let me begin by thanking you for I understand you were very helpful when our team came up to Maine to meet with various producers and farmers, and that you actually stayed through the sessions, and I know that they found it very, very useful as part of our outreach efforts.

Ms. PINGREE. Thank you.

Dr. HAMBURG. I actually have heard about the issue.

Ms. PINGREE. I am sure you are hearing it. We are describing it everywhere.

Dr. HAMBURG. Not with quite so much color and detail, and you know, I think it is one of those examples of something where there is a reasonable solution that can be found and where we certainly understand why it makes economic and sustainable agriculture sense to look towards these kinds of approaches, and we think that it can be taken up.

You know, we do plan, as you may or may not know, to reopen comment in some targeted areas of particular concern. We think this can be taken up in that context, and I hope we can find, you know, a meaningful, viable solution

Ms. PINGREE. Well, I am sure that you will receive a lot of comments. I did not know you were reopening the comment period, and I guess my request would be that you consider a general exemption that just protects this partnership and looks at this differently.

Hello there. Nice to see you here.

Anyway, so looking at this a little bit differently as you are considering anything else.

ANTIBIOTICS IN ANIMAL FOOD

I will just take another quick second if I can. I do have a lot of concerns about a whole other area, and we probably will not get through this entire question, but I do think that the FDA should be much more worried about antibiotics in animal feed. That I think is a very different kind of topic.

It just seems to me that given CDC estimates that say that many people—I think it is 20–some thousand—people die every year in America from antibiotic resistant infections. We just know that there is an enormous amount of concern around the impact of using antibiotics in animal feed.

How do you plan to document compliance with your new voluntary guidelines on this? Will you be collecting more detailed antibiotic use data than is provided by the annual animal drug user fee act reports?

I would love to get into a dialogue about this with you again. I am almost out of time. So we may have to take this up later.

Dr. HAMBURG. Okay. Well, I think we are making real progress, and the voluntary approach, while I understand many wished it had been mandatory, I think, already demonstrating value. The 90-day period for companies to come back to us about what their approach is and commitment would be ended, and I think it is actually in the paper today about, you know, we have achieved 99.6 or something, maybe it is even 96 percent of the products, and the manufacturers have agreed to pursue the removal of these products for, you know, growth promotion, non-judicious use, purposes.

That needs to then be combined with our veterinary feed directive which will, you know, really make it clear that any other uses for treatment or prevention have to be done under the oversight of a veterinarian; that records will have to be kept, and we will have the ability to monitor that to ensure compliance. I think will really give us an important set of new tools and opportunities to really advance what is a very important issue, frankly, for both animal and human health.

Ms. PINGREE. Absolutely. Thank you, Mr. Chair.

Mr. ADERHOLT. Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

CELLULAR TISSUE AND GENE THERAPY

Good morning, Dr. Hamburg. I understand that Congressman Nunnelee had broached this topic earlier, but I want to return to it please and focus the remarks on this Cellular Tissue and Gene Therapies Advisory Committee, which has work related to the mitochondrial transfer technologies.

Apparently this hearing last month addressed scientific and technical consideration related to these technologies, in particular, maternal spindle transfer and pronuclear transfer. I understand that researchers are pressing forward with this technique in human trials, which has currently only been done on monkeys, with the goal of advancing the replacement of defective genetic material.

Now, the press in recent weeks has raised a number of concerns about the danger of this science, namely, the development and promotion of genetically modified human beings with the potential for unknown, unintended and permanent consequences for future generations of Americans.

One quote from a professor of neurobiology is this. "The creation of three parent embryos is not an innocuous medical treatment. It is a macabre form of eugenic human cloning in which a human being with a medical condition is killed and his or her parts are used to create a new human being with an improved biological state."

Clearly, there are consequences here, and frankly, these scenarios scare people, and I would be very worried if it did not scare people. So I would like to hear your thoughts about the potential risk involved with these techniques.

Dr. HAMBURG. Well, this is an emerging technology that, of course, builds on advances in science and recognizes, you know, what is a serious disease condition. But as you point out, it raises many important issues that go beyond just scientific capability.

The meeting that we held was really one of just beginning a discussion about research that has been underway and trying to deepen understanding of what this technique is about, et cetera.

But we are very mindful that it raises a whole set of other issues, and while we do not think that we are the appropriate agency or entity to delve more deeply into the ethical issues, we are committed to partnering with other entities to examine those issues and also, of course, to engage in a broader conversation with the American public and, of course, policy makers and leaders, including Congress.

But it is something that is under discussion and under study, not just in this country, but in other countries, and I think, you know, that we need to have these important discussions about the science and the ethics.

Mr. FORTENBERRY. Well, I would suggest to you respectfully that scientific discovery is not a higher value than ethical discovery, and the two should be interdependent upon one another.

Dr. HAMBURG. Absolutely.

Mr. FORTENBERRY. Do you have an ethics committee at the FDA?

Dr. HAMBURG. We do have ethicists at the FDA, and we do certainly address issues of biomedical research ethics and also, of course, the ethics of patient safety and protection through a number of different committees and activities.

Mr. FORTENBERRY. Would formalizing a structure such as an ethics committee within your agency be helpful, a helpful policy change?

Dr. HAMBURG. Well, we feel very strongly that on this issue and on others that it really needs to be a much broader conversation, that decisions should not be made just within the walls of FDA on something like this.

Mr. FORTENBERRY. Well, I agree with that, but I am suggesting—well, maybe you already have it—but a formalization of that process might be prudent.

Dr. HAMBURG. Yes. Well, I think as I said for different kinds of purposes we have different sort of constellations of trained ethicists

and committees or advisory groups that help us with those issues, but I hear what your question is, and I think it is worth taking it back for discussion.

Mr. FORTENBERRY. Thank you.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Valadao.

Mr. VALADAO. Thank you, Mr. Chair.

USER FEES

Commissioner Hamburg, the FDA collects hundreds of millions of dollars in user fees from manufacturers and device makers. In fact, user fees are nearing parity with federal appropriated dollars. While not taxpayer dollars, this Committee still has the responsibility to ensure proper oversight of how those funds are being used.

SPENDING PLAN

Frankly, we need transparency. Commissioner Hamburg, will you commit to providing Appropriations Committee a detailed spending plan within each account by program, project and activity, including a description of new regulatory activity, personnel, personnel classification, hiring and spending plans, including the spending plans to be carried out by all user fee supported centers at FDA?

This information will provide the Congress with greater visibility into how user fees and appropriated funds are going to be used by the FDA in advance of program expenditures.

[The information follows:]

User Fees

Representative Valadao: Frankly, we need transparency. Commissioner Hamburg will you commit to providing Appropriations Committee a detailed spending plan within each account by program, project and activity, including a description of new regulatory activity, personnel, personnel classification, hiring and spending plans, including the spending plans to be carried out by all user fee supported centers at FDA?

Response: FDA provides detailed information on the user fee programs in a variety of ways. Each year the Justification of Estimates for Appropriations Committees provides information on regulatory activities carried out for each user fee program and on user fee obligations broken out by object class and center. In addition, information is provided on FTE (FDA-wide) by center and grade. FDA provides detailed information on user fee collections, obligations and FTE in six user fee financial reports to Congress. FDA also provides information on user fee activities through the annual performance reports to Congress as well as our annual Operating Plan.

Dr. HAMBURG. Well, we certainly are eager to work with you. This is a program that is important, and all the different user fee programs have expanded significantly in recent years. They do come with a lot of reporting requirements, including regular financial reports.

I just signed off on a number of them for the user fees that are going to review at HHS and will come up to you very shortly. So I think we do not want to duplicate existing efforts, but let us work together to see what kinds of information is already available and what additional information you might need.

USDA HERBICIDE

Mr. VALADAO. I appreciate that. I am going to switch gears a little bit. Ensuring farmers have access to multiple modes of action to address weed resistance is very important. One way to help farmers is to ensure that they have access to new herbicide tolerant crops.

I understand USDA has not yet deregulated products, that it will give farmers some additional ammunition against weeds and EPA continues to wait for USDA's deregulation decisions before taking action on herbicide approvals.

Yesterday I asked USDA's research education economic leaders about the importance of funding research projects only to turn around and fight the very outcomes of that research. Can you help me understand why it is taking so long for these helpful tools to get out in the marketplace?

Are USDA and EPA officially coordinating the deregulation of these and other herbicide tolerant crops?

If so, what has changed about the process that this Committee can qualify as an improvement?

Dr. HAMBURG. I apologize, but I am not sure whether this is an FDA specific issue. I——

Mr. VALADAO. Well, the EPA is in the other room. So I have been bouncing back and forth, and I know the EPA is struggling and they are waiting for our process to allow some of the approvals to go through, and I figured I would have a chance to talk to you because FDA does have oversight over some of the issues when it comes to products used in our food.

Dr. HAMBURG. Well, we do have responsibility to address pesticide levels in food products and also particularly with imported foods, but sometimes domestically produced foods as well, unapproved pesticides that are used in food products.

But I think that the specific issue that you are asking about is really a USDA issue, but again, you know, I will confer with our experts in the area, and we will follow up with your office to see if there is something we can do to clarify.

OPTHALMIC EMULSION

Mr. VALADAO. I appreciate that. We will be in touch on that.

I think I have time for one more. Dr. Hamburg, last year the agency issued a draft guidance on bioequivalent standards for—I am going to struggle with this one—ophthalmic emulsion, which would require no human studies. However, some of your own sci-

entists have said products like this are not absorbed into the blood stream and should require more careful study.

This guidance concerns me, and it reminds me of what is done with complex iron products. Because it seems to be a public health subject to ad hoc approval standards, they have not been vetted by the public or other stakeholders through any other open comment process.

It concerns me all the more because in the meantime you can use this draft guidance to approve generic products that may not be equivalent. I understand several physician groups have raised significant scientific concerns with your draft guidance for these by-products. I will have more specific questions on this topic for you to answer for the record, but given the level of concern can you tell me what the status is of the guidance today?

[The information follows:]

Draft Guidance on Bioequivalent Standards for Ophthalmic Emulsion

Representative Valadao: I will have more specific questions on this topic for you to answer for the record, but given the level of concern can you tell me what the status is of the guidance today?

Response: As we discuss below, FDA is in the process of reviewing comments on the draft guidance for industry containing bioequivalence (BE) recommendations for cyclosporine ophthalmic emulsion to determine whether the Agency needs to revise, finalize, or withdraw it. FDA also is reviewing the issues raised in a related citizen petition and in the comments submitted to the citizen petition docket.

Under FDA's good guidance practice regulation process (20 CFR 10.115), the intent of a draft guidance is to describe FDA's thinking and scientific recommendations on a particular policy area and to solicit input from the public on those recommendations. A guidance document, once finalized, will represent FDA's current thinking on the topic. Typically, FDA announces the availability of a draft guidance in the Federal Register (FR) and opens a public docket to collect comments from the public. The draft guidance also states that it "contains nonbinding recommendations." FDA uses this transparent process to communicate with the entire public at once, so that all potentially interested parties gain the benefit of FDA's thinking on an issue and can participate in the process by submitting comments. FDA considers all received comments carefully as part of the guidance finalization process.

This is the public process FDA is currently using to propose BE recommendations for numerous drug products, including cyclosporine ophthalmic emulsion. The process is explained in a guidance for industry, Bioequivalence Recommendations for Specific Products (http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/UCM072872.htm), issued on June 11, 2010. This guidance explained that product-specific BE recommendations would be made available on FDA's website as a way to develop and disseminate product-specific BE recommendations and to provide an opportunity for the public to comment on them. As part of that process, draft recommendations for different products are posted periodically on FDA's website and announced in the FR. With each FR announcement, the public is encouraged to submit comments within 60 days. FDA considers all comments received and either publishes revised draft recommendations for further comment, finalizes the recommendations, or withdraws the draft recommendations.

On June 20, 2013, FDA published an FR notice announcing the availability of a draft guidance for industry containing BE recommendations for cyclosporine ophthalmic emulsion (http://www.regulations.gov/#!documentDetail;D=FDA-2007-D-0369-0229). People wishing to submit comments were instructed to submit them under docket number FDA-2007-D-0369,

either online at www.regulations.gov or by mail. The comments that were submitted can be found at the above mentioned website and will be taken into careful consideration as FDA reviews the available science to determine whether to revise, finalize, or withdraw the draft guidance. Once finalized, guidance documents still do not legally bind the public or FDA (21 CFR 10.115(d)). An alternative approach may be used if such approach satisfies the requirements of the applicable statutes and regulations.

On February 28, 2014, Allergan, Inc., submitted a citizen petition requesting that, among other actions, FDA refuse to accept or approve any ANDA that references RESTASIS (cyclosporine ophthalmic emulsion) if the ANDA does not include data from one or more appropriately designed comparative clinical trials to demonstrate bioequivalence (Docket No. FDA-2014-P-0304). FDA is reviewing the issues raised in this citizen petition and in the comments submitted to the citizen petition docket. In responding to the citizen petition, FDA will consider any relevant comments on the draft guidance on cyclosporine ophthalmic emulsion.

Dr. HAMBURG. I think that if you would give me permission, we should get back to you on all of that because I am not familiar with that specific guidance and want to be able to give you a complete answer.

Mr. VALADAO. Well, I appreciate that, and I yield back.

Thank you.

Mr. ADERHOLT. Thank you.

FOOD SAFETY

One of your seven proposed rules under the Food Safety Modernization Act deals with produce safety. Beyond the controversy surrounding how the rules will be enforced based on the size of the grower, there are some fundamental concerns about FDA's presence actually on the farm.

The ag. community has a long history of working with the government, but that has been with directly USDA. FDA has previously stated they will try to use State Department of Agriculture or third party audits to help with the enforcement, but farmers and ranchers are concerned that FDA has the potential to be heavy handed in dealing with them and a group that never a regulator has dealt with before.

The question I would have to you, does the agency envision FDA employees conducting the actual enforcement on the farm?

Dr. HAMBURG. Well, I think it is a program that is under development, and we certainly see the partnership with States, as well as with agriculture as a critical part of the success of the full implementation of the program.

We have undertaken a really massive effort to reach out to the agricultural community and growers large and small to understand their concerns, and certainly we have heard some of the concerns that you have expressed.

You know, we will have a presence on the farm, but we see really that this is a program that will best be implemented through partnerships and building on systems that are already in place and working, expanding them, and, you know, one of the areas of critical funding as we look at fiscal year 2015 and 2016 is the ability to provide some resources to States so that they can strengthen and extend and restructure their program activities so that they can work more effectively with us to implement the goals of FSMA.

Mr. ADERHOLT. So you do not necessarily see FDA direct on the farm?

Dr. HAMBURG. Well, we will have some presence on the farms.

Mr. ADERHOLT. Okay.

Dr. HAMBURG. But, you know, I certainly do not intend it to be heavy handed, and I certainly think it will be played out in a partnership with partners that are more familiar to growers, and I hope that through our outreach efforts we also are becoming more familiar to the grower community.

Mr. ADERHOLT. So they would be, if these are FDA employees, they would be fair. They would be balanced, transparent. So you can ensure us of that?

Dr. HAMBURG. I certainly hope so, and if they're not, I want to hear about it.

CHINA INSPECTIONS

Mr. ADERHOLT. Okay. Let me turn to another issue that I think is very intriguing. Yesterday we had the research with issues before this with FDA yesterday regarding the Chinese. Today we have got a little bit of a similar issue. The New York Time in Bloomberg published an article last month that exposed a real troubling development in the area of FDA's foreign inspection of food and drugs in China.

There was a February 14th article in the New York Times that said nearly all antibiotics, steroids and many other lifesaving drugs are now made exclusively in China.

Chinese exports have grown from 2.3 billion tons in 2003 to 4.1 billion tons in 2012. Despite this Committee's increase for funding for inspectors in China and a government agreement negotiated with Vice President Biden and the Chinese government to allow 20 inspectors in China, most of those inspectors are still here in the United States from the information that I have been given.

How many FDA inspectors are currently working in China on food and drug inspections, and how many are awaiting clearance from the Chinese government?

Dr. HAMBURG. Well, we are trying, as you know, to expand our efforts in China. We do have an office now. We have three offices in China, Beijing, Shanghai and Guangzhou, and there are 13 staff, eight that are American citizens and five that are Chinese but working for us, and we hope to expand that with I think it is 17 more inspectors, ten more for drugs and seven more for food.

You know, we have been working with the Chinese government to get those approvals, and in December Vice President Biden and his team were able to finalize those arrangements, and we are now trying to identify the staff to go over, which I have to say is an additional challenge for us because not everyone who works at the FDA wants to pick up themselves or with their families and move to China or India or whatever for a number of years to work.

But we believe that this expansion in China will be very appropriate. They are actually not the largest exporter of drugs currently to the United States. That is India, and I recently had the opportunity to visit India and, I think, undertake some important work.

But the fact that more and more of the active pharmaceutical ingredients in drugs that are used here or the drugs themselves are being made overseas is a real concern, and it has led to us, you know, really redoing and rethinking many of our programs and has really required us to become global in our reach.

Mr. ADERHOLT. You said there is about 17 awaiting approval at this point?

Dr. HAMBURG. They are not awaiting. We are now identifying people that will take on those important new jobs. So it is in process.

Mr. ADERHOLT. So how many FDA inspectors are currently working in China today?

Dr. HAMBURG. Well, as I said, we have got 13 people over there. Not all of them are doing inspections. Also you need to understand though it is not only if you are based in China do you do inspections. We have teams of people who go over to do inspections in

China and in other places as well, and we are also increasingly working with our regulatory counterparts from other parts of the world to share information, including on inspections, so that we can again extend our reach.

Mr. ADERHOLT. So as far as on the ground inspectors, you have maybe ten or less full-time inspectors.

Dr. HAMBURG. We have a limited number of on-the-ground day-to-day inspectors in China that are living there. At any given time we may have other inspectors who have been sent over to do targeted inspections. But it is a huge, huge challenge.

The numbers of facilities overseas not just for drugs, but for devices and for food production is large and growing, and this is, you know, one of the reasons why, you know, we cannot be standing still. We do have to keep expanding to address these new challenges.

Mr. ADERHOLT. According to that New York Times article on February 14th, it says nearly all antibiotic, steroids and many other lifesaving drugs are made exclusively in China. Is that true?

[The information follows:]

Representative Aderholt: According to that New York Times article on February 14th, it says nearly all antibiotic steroids and many other lifesaving drugs are made exclusively in China. Is that True?

Response: In a growing global drug supply chain, it's hard to find many drugs which are exclusively manufactured in any one country. Today, almost 80 percent of all active pharmaceutical ingredients used in manufacturing of finished dosage forms of drugs in the United States are manufactured abroad. There are important antibiotics and lifesaving drugs where the majority of production takes place outside of China. For example, most of the penicillin in the U.S. market today is manufactured in countries other than China (for example, United States, India, Austria, Canada

Dr. HAMBURG. I do not recall seeing that article, and I do not know where that would have come from, but certainly——

Mr. ADERHOLT. Do you disagree with that?

Dr. HAMBURG. Well, I would like to see the article to see what it was saying, but there is no question that a very large percentage of the active pharmaceutical ingredients in many drugs are coming from China and from India, and that, you know, many of the Finnish drugs are also coming from other countries.

But with respect to the specifics in that article, that seems, you know, not entirely accurate to me, but I would like to see the article before I would give further comment. But it is a real concern.

Mr. ADERHOLT. What are the reasons that China gives for delaying our inspectors over there?

Dr. HAMBURG. Well, I think that they were initially a little bit reluctant, but those issues were worked through. You know, it is a different regulatory model than they are used to and other countries also have been a little bit resistant to the notion of us having, you know, a physical on-site presence in their countries.

But in fact, it has proven to be very beneficial for all. I think we have been able by being physically there to engage in a much more direct and productive way both with the companies involved and with our counterpart regulators, and so I think it is demonstrating its value, and I think we are making real progress.

Mr. ADERHOLT. Do you have any idea when these inspectors that you have that are waiting to go over there, when they may get approval?

Dr. HAMBURG. Well, you know, we are identifying people as we speak.

Mr. ADERHOLT. Yes.

Dr. HAMBURG. To fill those positions and——

Mr. ADERHOLT. Any idea when those might be filled?

Dr. HAMBURG. You know, we want it as soon as possible, but as I said, it is not completely straightforward to identify the right FDA employees to go over to fill those.

Mr. ADERHOLT. Does China currently conduct inspections here in the United States?

Dr. HAMBURG. I think they have done a few, but we are much more aggressive at the present time in terms of our international presence and inspections.

Mr. ADERHOLT. So from your understanding there are some inspectors here from China?

Dr. HAMBURG. Well, not based here. They do some limited inspections, you know.

Mr. FORTENBERRY. Mr. Chairman, would you yield for a question?

Mr. ADERHOLT. Sure.

Mr. FORTENBERRY. Why has there been such a significant shift in the components of drug production to China and India?

Dr. HAMBURG. Well, that is a very good question. I mean, part of it is I think that some of the resources, some of the chemicals, et cetera, actually, you know, are in those regions of the world, but I think it is a question of identifying a niche and building it up and, you know, really responding to a change in global marketplace.

Mr. ADERHOLT. Mr. Farr.

Ms. DELAURO. Mr. Chairman, can I ask one?

Mr. ADERHOLT. Go ahead quickly.

Ms. DELAURO. Because I think it is a great question. I do not know if it has to do with any of our trade efforts, to be honest with you, WTO and so forth. I believe that it may be the case, but I think it is worthwhile taking a look at what that means not because of what has happened in the past with WTO, but what future agreements would portend in this regard as well.

But the other piece of this, Mr. Chairman, and your point is what kind of constraints do the Chinese put on the freedom or the access of our inspectors or our staff or our personnel that are there. I do not know.

Do they have restrictions and are we subject to freedom of movement here, you know, in terms of our being able to, you know, accomplish the goal that you have established?

Dr. HAMBURG. Well, I would say one great thing that the Food Safety Modernization Act did was actually give us the authority to refuse entry of foods that are produced in a facility if we have not been allowed to go in and undertake an inspection.

Mr. ADERHOLT. We would like to see and make sure that is carried out.

Mr. Farr.

Mr. FARR. Thank you.

To continue on the theme of inspections, I would like to bring you back to the domestic side, and I would like to thank you again for coming out to California and walking the fields of the Salinas Valley and looking at the Leafy Green Marketing order, which was essentially an initiative by the industry to do the protocols necessary to guarantee that the products are safe and so on, way ahead of the Federal Government.

In fact, when Rosa DeLauro was chair of this Committee, she praised the industry for being ahead of the Federal Government, and California and through the industry was first in the nation.

You can all the way out there is significant, but also today one of my colleagues from California, Mr. Valadao, has brought his father here, who is a farmer. He is a dairy farmer and a specialty crop farmer, and I am sure you would rather have your son back home milking cows than being here today, but thank you for coming.

There is an old adage in Washington that says that if you like sausages or laws you never see either of them being made, and today you are seeing how we make laws out here in our great country.

FSMA

But back to you, Dr. Hamburg, you know, as we move with FSMA, which came about after the Leafy Green Marketing order was created and there was also a good agricultural practice known as GAGAP, and if you followed those protocols up until we had FMSA, you were find.

Now that we have a national and are trying to create law, what we do not want is the duplication or more regulation essentially, and what we were trying to do is get a waiver or get an under-

standing. In fact, I wrote a letter to you on November 13th last year with most of the California delegation signing it, asking if we could enter into an MOU with the Leafy Green Marketing group in California and use that as the rule.

So what I would like to know is is there going to be more duplications. Is there going to be a separate audit program?

How do we incorporate where we exempt the GAP certified and Leafy Green Marketing order certified from additional or duplicative regulations under FSMA?

Dr. HAMBURG. Well, we certainly do not want to create a system that adds duplication of effort and more layers of activity but rather reflect best practices and, you know, a fairly uniform approach across the Nation.

Our hope is that, and you know, I think there is every reason to believe that what the companies that you are describing are doing as part of the LGMA and the GAP Program, you know, in many ways what they have done is foundational to some of the thinking, in fact, about how best to approach produce and preventive controls.

So I think it will all come together in a system. I'm not sure that we need to do MOUs or waivers to achieve that. It is a question of what are the practices, and if the practices conform with the standards.

Mr. FARR. Well, from what USDA is doing, those practices in California are higher than what the farmers in the rest of the Nation are willing to accept.

Dr. HAMBURG. Right. So you know, what I am saying and I think what they are doing will conform with the standards and expectations.

Mr. FARR. I mean, we will try to not have to do more or have separate audit, a California audit that they have created and a Federal audit. This is ridiculous.

Dr. HAMBURG. No, and we agree, and we are not looking to build levels of bureaucracy, one upon another.

Mr. FARR. Well, lastly, I would just like to ask you because I mentioned it in the opening remarks that I think it would be interesting for us to understand what happened when we went into this shutdown and sequestration and what the impact was on opportunity lost for your agency and sort of lessons learned.

Could you give the committee kind of your feelings about that as somebody who had to steer the ship through it all?

And what would you tell Congress about the unintended consequences of our inability to provide leadership?

SEQUESTRATION/USER FEES

Dr. HAMBURG. Well, certainly the government shutdown and sequestration, you know, did have an impact on our work and also on morale within the agency. We were fortunate that because of user fees, we were able to continue critical work in some areas that otherwise might have been compromised.

But we were very surprised, as you know, that both our budget authority dollars and our user fee dollars were subject to sequestration, and that, you know, took an unexpected additional toll.

And we are very appreciative of the efforts of Congress to help us restore the sequestered user fees which had been, of course, carefully negotiated with industry around a set of critical activities and performance goals, and nobody had expected them to be taken away.

You know, I would say that the impact of sequestration and the government shutdown was, of course, to slow us in our ability to stand up certain important new programs and to continue efforts in some important areas but that were deemed of sufficient public health emergency status to continue in the context of the government shutdown.

There also was a huge impact on morale. I mean, everyone at FDA likes to think that they are working on incredibly critical public health priorities, and we are every day, and so for people who are so dedicated to their work to be sent home was devastating.

I would say it also had some impact on our ability to recruit. You know, I was in the midst of one high level recruitment, and the person looked at this and said, "You know, why would I want to leave the job I love and enjoy in academia for the uncertainty of government work?"

Mr. ADERHOLT. Mr. Nunnelee.

Mr. NUNNELEE. Thank you, Mr. Chairman.

LABELING OF GENERIC DRUGS

Dr. Hamburg, I have got some questions and concerns about the FDA's recent proposed rule change on the labeling of generic drugs, allowing generic drug manufacturers to change their label without FDA approval. I am concerned that it may be in conflict with existing statute.

So just tell me how did you decide to come up with these guidelines.

Dr. HAMBURG. Well, I think there obviously was a decision, the Pliva v. Mensing decision that shone a light on the fact that there was a differential response in terms of findings of potentially important safety concerns in products that were in use by American consumers, brand versus generics, and that the brand companies being required to, when they learned of potentially important safety information, to immediately reflect that in labeling and information for consumers and health care providers, but the generics being dependent on the brand making the initial change and then sort of a trickle down to the generic drugs.

But in a world where 80 percent of the prescriptions in the country are for generic drugs and where increasingly often as generic drugs come into the marketplace brands may actually stop manufacturing that drug altogether so that there is no brand drug, it creates a system where patients and their health care providers cannot get access to potentially safety information in the most expeditious way.

So we felt that it was important to put forward a proposed rule that would address this and really create a more uniform protection for patients that would reflect emerging safety concerns. And as you probably know, that went out for comment, and we have received a lot of comments. The period just ended.

We are reviewing those comments, and again, you know, a large volume of response and very thoughtful, considered responses. So we are, you know, taking that all into account as we think about what needs to be done going forward.

Mr. NUNNELEE. Do you have the resources to implement this rule?

Dr. HAMBURG. I believe we would have the resources to implement it.

Mr. ADERHOLT. Let me interject here just a second. The voting schedule has been on and off, and we are not sure exactly what is going on. I understand there is a vote on the floor, but we are probably going to have a few more minutes.

Why do we not go down to try to get another round in that we could limit each person to one question?

Mr. NUNNELEE. I am through.

Mr. ADERHOLT. Then that way we can try to get another round before we go vote.

So Mr. Bishop.

MENU LABELING

Mr. BISHOP. Thank you very much.

It has come to my attention, Dr. Hamburg, that many small and medium size grocery store chains and fast food establishments, such as pizza chains, have expressed concerns about the FDA's labeling requirements for restaurants, similar retail food establishments and vending machines, proposed Rule FDA–2011F0172, which implements the menu labeling provisions of the Patient Protection and Affordable Care Act of 2010.

These establishments say that while the FDA's initiatives to create a national nutrition standard and require retail food establishments to disclose nutrition information are good for the pubic, they are argue that this one size fits all rule would be onerous and cost prohibitive.

So what is the status of this proposed rule, and is FDA doing to balance the public health and economic viability of retail food establishments, many of which are small businesses?

Dr. HAMBURG. Well, as you know, we have been working on the menu labeling rule for a very long time and have gotten lots of feedback and input from all the various stakeholders. We are moving towards a final rule.

It does only apply to restaurants and restaurant-like establishments that are chains of 20 or more, but we have been trying very hard to find a system that is meaningful for public health but also truly implementable and economically viable.

So we hope that that final rule will be coming forward. You know, I am always loath to give a date, but you know, certainly within this year, but sooner than that is my goal.

Mr. BISHOP. I try to hold up proper regulatory procedures and criteria to three simple standards: one, that the regulations be subjected to a cost-benefit analysis; two, that they be based in sound science; and three, that they make common practical sense.

So I hope that when it comes to these small businesses that you will take that into account as you implement the rule because we

really do not want to overburden businesses that are just not equipped to manage.

Mr. ADERHOLT. Mr. Yoder.

PROPOSED RULE—GENERIC DRUG LABELING

Mr. YODER. Thank you, Mr. Chairman.

Dr. Hamburg, I want to follow up on questions Mr. Nunnelee was asking you. I wrote a letter to you on September 20th of 2013, which I appreciate a reply I got in January, and I thank you for your detailed reply.

I think in your cost estimates for the generic labeling rules we have missed an important component, and that is the exposure to new liability, new costs that would be associated with this expansion in terms of litigation costs.

Have you fully taken into consideration those litigation costs and the expansion of liability?

And in developing this rule, have you had an opportunity to negotiate or, I guess not negotiate, visit with members of the industry and members who support this? Because I note you met with the trial lawyers in developing this rule. What is their interest in this?

And have you also met with industry members in proposing this rule?

Dr. HAMBURG. Well, there have been many, many discussions and it has been an open rulemaking process with the period of comment just closing as I mentioned, and we certainly did get comments on the issues that you raised. It is an ongoing rulemaking process, and so we are looking at all the comments and the additional analysis.

Mr. YODER. If I might, just in your letter we specifically asked if you met with any groups. You say you generally do not participate in dialogue during the development of proposed rules, that you do not do that. Yet you did meet and did have a meeting with your Chief Counsel, with the American Association for Justice, and that was the one group you met with.

I just found that odd that in your letter you would say that was the only group you met with.

Dr. HAMBURG. You know, we have certainly had meetings and input from the Generic Pharmaceutical Manufacturers Association and others as well talking about some of these broad issues and then the comment period, you know, has given the opportunity for a lot of input on these issues as well.

Mr. ADERHOLT. Ms. DeLauro.

E-CIGARETTES

Ms. DELAURO. Thank you, Mr. Chairman.

A quick point on China. Someone should take a look at the e-cigarettes that are coming from China, slit it open and see what is in it if you want to find something that is just outrageous, and there is no regulation. The deeming rule, please, as soon as you can.

DRUG APPROVALS

My question has to do with industry commitment and post market studies. I wrote in February about responsibilities to consumers that come from drugs that are approved using this alternative approval process.

I think it is important that the public has access to post market evaluation data for the drugs that are undergoing this approval. You have to have consumers and physicians who can make informed decisions.

I am there on the need to get safe, effective drugs to market as quickly as possible, particularly for vulnerable populations. FDA has several regulatory pathways that allow you to facilitate the introduction of new drugs. This shift, however, in regulatory burden from pre-market evaluation to post market environment should not come in my view with a potential sacrifice to the consumer.

So my questions are the moment the drug hits the market, average amount of time required for usable results for post market studies to be made available to the public, what are your requirements and criteria for post market surveillance, that time frame to look at it?

[The information follows:]

Drug Approvals

Representative DeLauro: So my questions are the moment the drug hits the market, average amount of time required for usable results for post market studies to be made available to the public, what are your requirements and criteria for post market surveillance, that time frame to look at it?

How quickly do we get that back so that it becomes meaningful in terms of physicians and consumer?

Response:

Postmarket studies and trials are either requirements or commitments. A postmarket requirement (PMR) refers to all required postmarketing studies or clinical trials required under:

- Section 505(o)(3) of the Federal Food, Drug, and Cosmetic Act (FD&C Act), as amended by the Food and Drug Administration Amendments Act of 2007 (FDAAA);
    - o Authorizes FDA, among other things, to require certain postmarketing studies and clinical trials to obtain more information about a serious risk related to the use of a drug.
- Subpart H of 21 CFR part 314 and Subpart E of 21 CFR part 601;
    - o Authorizes FDA to require trials to verify and describe clinical benefit for a drug or biological product approved in accordance with the accelerated approval provisions.
- The Pediatric Research Equity Act (PREA) amendments to the FD&C Act;
    - o Authorizes FDA to require pediatric studies of drugs that are not adequately labeled for children.
- 21 CFR 314.610 (b)(1)
    - o Authorizes FDA to require postmarketing studies of drugs approved under the Animal Efficacy Rule. Such studies would verify and describe the drug's clinical benefit and to assess its safety when used as indicated, when such studies are feasible and ethical. (Such postmarketing studies would not be feasible until an exigency arises).

A postmarketing commitment (PMC) is used to describe studies and clinical trials that applicants have agreed to conduct but are not required.

Under 21 CFR 314.81(b)(2)(vii)(a)(7) and 601.70(b)(7), PMRs and PMCs have a projected schedule for completion of the study or trial. The schedule should include, among other things, the actual or projected dates for completion of the study/trial, and submission of the final report to FDA. Applicants must develop a schedule, and FDA will work with the applicant as much as possible on the proposed schedule milestones to reach agreement.

21 CFR 314.81(b)(2)(vii) and 601.70(b) require that applicants report annually on the status of PMRs and PMCs. Within the FDA's Center for Drug Evaluation and Research (CDER) specifically, the internal goal is to review all PMR/PMC annual status reports within 90 days of receipt. Final study reports for postmarketing studies and trials are often submitted as a supplemental application to modify product labeling. When this occurs, FDA will review the submission under established review times for supplements (e.g., for Prescription Drug User Fee Act (PDUFA) products). In some cases, a postmarketing study commitment will not yield information that affects product labeling, and the final study report will be submitted without a supplemental filing. In such cases, FDA will generally review the final study report within 1 year of receipt.

As required under section 113 of the Food and Drug Administration Modernization Act of 1997 (FDAMA), the National Institutes of Health (NIH) maintains the ClinicalTrials.gov data bank and website, which is a public information resource on certain clinical trials regulated by FDA. Section 402(j) of the Public Health Service Act, as established by section 801 of FDAAA, further requires that for applicable clinical trials of approved products, submission of results is generally due 12 months after the completion date of the clinical trial. Results reporting potentially may not be due for up to three years after the completion date of the applicable clinical trial if the responsible party certifies that the clinical trial is conducted to support approval of a new indication for an approved product.
In addition to the requirements for reporting results to FDA and to the ClinicalTrials.gov data bank, applicants may choose to publish the results or present the information at other times or through other mechanisms.

Depending on the final results of the postmarket study/trial, FDA may determine that one or more actions are indicated. For example, FDA may determine that the drug labeling should be revised to reflect the results.

http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/UCM172001.pdf
http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/ucm080569.pdf
http://www.clinicaltrials.gov/ct2/manage-recs/fdaaa
http://www.clinicaltrials.gov/ct2/manage-recs/fdaaa#WhenDoINeedToRegister

How quickly do we get that back so that it becomes meaningful in terms of physicians and consumers?

What are the penalties? What are the enforcement mechanisms if these folks fail to conduct post market studies in a timely manner or do not provide appropriate or meaningful data about safety or efficacy?

[The information follows:]

Representative DeLauro: What are the penalties? What are the enforcement mechanisms if these folks fail to conduct post market studies in a timely manner or do not provide appropriate or meaningful data about safety or efficacy?

Response:

An applicant's failure to comply with the timetable, periodic report submissions, and other requirements of section 505(o)(3)(E)(ii) of the FD&C Act for PMRs will be considered a violation subject to enforcement, unless the applicant demonstrates good cause for the noncompliance. Under section 505(o)(3)(E)(ii) of the Act, FDA is authorized to determine what constitutes good cause.

Failure to conduct a postmarket study under 21 CFR 314.510 subpart H and 21 CFR 601.41 subpart E is a violation of the FD&C Act and may result in enforcement action.

In addition, failure to submit clinical trial information to the ClinicalTrials.gov data bank website required under section 402(j) of the PHS Act is a prohibited act under section 301(jj)(2) of the FD&C Act.

Enforcement action could include one or more of the following:

- Charges under section 505 of the FD&C Act. A responsible person may not introduce or deliver into interstate commerce the drug involved if the applicant is in violation of section 505(o) (postmarketing study and clinical trial requirements) (see section 505(o)(1) of the Act) or 505(p)(2) (certain postmarketing studies).
- Misbranding charges. A drug is misbranded under section 502(z) of the FD&C Act (21 U.S.C.332(z)) if the applicant for that drug violates postmarketing study or clinical trial requirements.
- Civil monetary penalties. Under section 303(f)(4)(A) of the FD&C Act (21U.S.C. 333(f)(4)(A)), an applicant that violates postmarketing study or clinical trial requirements may be subject to civil monetary penalties of up to $250,000 per violation, but no more than $1 million for all violations adjudicated in a single proceeding. These penalties increase if the violation continues more than 30 days after FDA notifies the applicant of the violation. The penalties double for the following 30-day period and continue to double for subsequent 30-day periods, up to $1 million per period and $10 million for all violations adjudicated in a single proceeding. In determining the amount of a civil penalty, FDA will consider the applicant's efforts to correct the violation (see section 303(f)(4)(B) of the Act).
- Pursuant to section 303(f)(3)(A) of the FD&C Act, any person who violates section 301(jj) shall be subject to a civil monetary penalty of not more than $10,000 for all violations adjudicated in a single proceeding. Section 303(f)(3)(B) of the FD&C Act also provides that if a violation of section 301(jj) is not corrected within the 30-day period following notification under section 402(j)(5)(C)(ii) of the PHS Act, in addition to other penalties described above, the person may be subject to a civil monetary penalty of not

more than $10,000 for each day of the violation after such period until the violation is corrected.

Failure to comply with the requirements for pediatric studies may result in the drug or biological product being considered misbranded and subject to relevant enforcement action (section 505B(d)(2) of the FD&C Act).

Dr. HAMBURG. Well, that is a big question in this time. I will not try to answer all of it.

Ms. DELAURO. And I would like to——

Dr. HAMBURG. I would just say that we have different systems for post market monitoring. Surveillance, studies, all of that is very important. I am happy to either in a briefing or in a written response go into more detail, but it is crucial that we follow these drugs over the course of their lifetime and the real world experience.

Ms. DELAURO. My experience with post market surveillance has been it is spotty and it does not happen. So I want to sit down with you and go over that. I do not want to take any more of my colleagues' times.

Thank you.

Mr. ADERHOLT. Mr. Fortenberry, one question.

Mr. FORTENBERRY. Yes. Doctor, a real quick point. On Valentine's Day I went to buy my children some candy at a drug store. I had a very hard time finding anything made in America, which is pretty shocking to me.

So I bought this afterwards to show you, "made in China." I did not give it to my children just to make the point.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. Pingree.

FOOD SAFETY

Mr. PINGREE. Okay. I will be very quick. I think Ranking Member Farr talked to you a little bit about FSMA, and I do want to thank Michael Taylor and all of the others who came to the New England States and really focused on the issues that our farmers have been extremely concerned about, and of course, I continue to hear from them about this.

I greatly appreciate that you have given a lot more time to working on this, and I just want to emphasize how important it is that we have a system that both works really well for food safety, but does not eliminate many of the great things that are happening with local food and farming.

So I just want to emphasize, and then I'll let you go. The comment period will kind of coincide with the growing period for farmers across the country, and I just want to make sure that you undertake some effort that they can be able to communicate, and that we do not also issue rules in the middle of the growing season and we keep their considerations in mind.

Dr. HAMBURG. Well, that is an important point. I guess different things have different growing seasons. So it may never be a——

Ms. DELAURO. Yes, for Californians.

Dr. HAMBURG. But you know, point taken. Point taken.

Ms. DELAURO. And I just want to say we are going to continue to work closely with you on that.

Dr. HAMBURG. Okay. And we will continue to work closely with you and really have appreciated your interest and the commitment that you have shown.

Mr. ADERHOLT. Let me finish this round and we will come back.

Before going to Mr. Valadao, I understand that we have a special guest with us today, Mr. Valadao's father is with us. So we want to recognize you and thank you for being here. [Applause.]

And, Mr. Valadao, go ahead.

Mr. VALADAO. Thank you for that.

And my dad is probably not happy now. [Laughter.]

USER FEES

Commissioner Hamburg, I want to ask you about the portion of your budget that deals directly with food regulation. The fiscal year 2012, 2013, 2014 and 2015 budget requests for your agency's food safety work was made up of primarily increasing funds from user fees. I know this issue was discussed earlier, but you seemed to indicate the food industry may have indicated support for you.

You are suggesting people pay a fee to receive no benefit in return. That sounds like a tax. What you are proposing this year is a $69 million food facility registration fee and 169 million import inspection fee. Companies paying the government merely for existing or for the privilege of being a food processor, producer or manufacturer.

I have a letter here from nearly 60 groups that include food, farm, feed, retailers, distributors and business groups who would oppose such taxes on their consumers. These groups do not seem to be indicating support.

How do you justify this fee that will raise prices for our consumers? And how can you say if the industry has indicate support if these groups all oppose?

Dr. HAMBURG. Well, I do think, first of all, that there would be value added in terms of the programs we would be able to put in place and our ability to more effectively respond to a set of really important concerns both to make sure that we have a system that is focused on preventing problems before they occur, which matters to industry just as it matters to the health of the public.

And also we have been talking a lot about the challenges of globalization and the fact that, you know, we have products coming from countries from all over the world in ways that simply were not happening before, and we need to find a way to build and import safety systems for foods that reflect that new reality.

So I think that they would see value for their money. In fact, we shaped aspects of the user fee proposal based on many discussions with stakeholders, including industry in terms of where they saw particular potentials for value.

Now, that does not mean that all companies would support this. It does not mean, as has been noted, that we are likely to see user fees authorized this year or the next, but I think it is an important discussion to continue to have, and I think that if you look at the experience with user fees on the pharmaceutical and medical device side, they would tell you that while they did not necessarily come to the table eagerly to put money out to support some of the critical programs, that they can see the benefits of those investments over time.

Mr. ADERHOLT. Thank you.

We have one last question. Ms. DeLauro has got one quick question.

TPP—IMPORTATION

Ms. DeLauro. It dovetails here. The Trans-Pacific Partnership Agreement, 11 countries, influx particularly of seafood, Vietnam has been stopped 206 times at the border for a product that has been proclaimed contaminate, filthy, a decomposing product.

[The information follows:]

Trans-Pacific Partnership Agreement

Representative DeLauro: Does your budget, if we move forward with this TPP, quite frankly as the Administration wants to do, what would you need?

Response: It is important to bear in mind that the TPP Agreement would not grant our trading partners special regulatory treatment with respect to the food they export to the United States. Food from TPP countries would be inspected according to same risk analytics as food coming from any other country. If the TPP Agreement were to enter into force with respect to the United States, FDA would continue to employ risk-based border operations to determine which shipments to examine or sample, or both. At this time, FDA is not anticipating an appreciable increase in food imports from TPP countries above the increase projected for imported food overall, so the agency is not seeking additional TPP-related funding for border operations at this time.

Does your budget, if we move forward with this TPP, quite frankly as the Administration wants to do, what would you need? Does the proposal in front of us today prepare for that kind of increased volume coming in to the U.S. in terms of safety? And that is the inspection issue.

[The information follows:]

Representative DeLauro: Does the proposal in front of us today prepare for that kind of increased volume coming in to the U.S. in terms of safety?

Response: Yes. Over the past 15 years, FDA has seen an annual increase in the volume of food imported into this country. We expect those increases to continue and our budget request takes that into account. Consequently, if the TPP Agreement were to enter into force with respect to the United States, we would expect no appreciable increase in imported food from TPP countries over the increase that FDA already had projected.

You can get back to me on that.

Dr. HAMBURG. Okay.

Ms. DELAURO. But I think it is a very relevant question in terms of where we are going on these trade agreements and what kind of burden that puts on you, whether it is Peru, whether it is a product from China because it is trans-shipped from Malaysia, and what is coming in from Vietnam.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you.

MENU LABELING

Thank you for being here today. Let me just in concluding cite the menu labeling issue as something that we are hearing a lot about. So we would appreciate your concern and your focus, as I know you will, and just concerns that it causes a lot of businesses out there.

But regardless, thank you for being here today, for the last two and a half hours, and we appreciate all of your work here and all of you who have been here.

And the committee is adjourned.

FOOD AND DRUG ADMINISTRATION
COMMISSIONER
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
MARCH 27, 2014

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

FDA Budget Request

FDA has received substantial increases for food safety over the past few years. The Agency's FY 2015 budget requests another $24 million in new budget authority for the implementation of the Food Safety Modernization Act (FSMA). In addition to the new budget authority request, the Agency has requested $260 million in proposed user fees.

Please provide details for the Committee on how the $24 million in new authority would be spent in the following areas without duplication: standard setting; technical support for FMSA implementation; training; Federal-State integration; and risk analysis.

Chairman Aderholt: Why would the funds be necessary since the final rules will be delayed another year?

Response: FDA still needs these resources in FY 2015. FDA is diligently working to finalize seven major regulations mandated by FSMA with timeframes under consent decree, in addition to working on other key FSMA regulations, guidances, and implementation activities. FDA is obligated to complete five foundational rulemakings in 2015 and must make significant headway on two others in order to meet the terms of the consent decree. The funding described in the FY 2015 budget supports the rulemaking process to help FDA meet the required consent decree timeframes, and supports FDA's efforts to prepare other key rules and guidance documents for public comment and finalize them in a timely manner. It also allows FDA to engage in other important FSMA implementation activities, such as supporting our State partners, investing in technical support, and increasing risk data collection and analytical capacity. These funds are required to ensure that FDA is prepared to finalize as well as implement the FSMA framework.

Chairman Aderholt: On page 39 of the FY 2015 Congressional Justification, FDA projects the level of food safety activity in the field for fiscal years 2013, 2014, and 2015. After years of investment in food safety and the Administration's assumption that they would receive $24 million in new funds and more than $230 million in new user fees, why would the Agency show zero progress in domestic or import testing or inspections?

Response: FSMA enables FDA to better protect public health by strengthening the food safety system, enabling the Agency to focus more on preventing food safety problems rather than relying primarily on reacting to problems after they occur. These new authorities, designed to achieve higher rates of compliance with prevention and risk-based food safety standards, require the Agency to build a new food safety system. Building a comprehensive system takes time and

resources. The intent of FSMA was not to continue with FDA operations as usual but rather to develop and implement a new paradigm within the Agency that incorporates the legislative authorities that have been given to the Agency in the most effective and efficient manner to ensure a new food safety system based on prevention.

The funding the Agency gets each year affects staffing and vital operations but also how quickly FDA can put this legislation into effect. The funding the Agency receives through the annual budget cycles and fees impacts the number of FTEs we have and is a significant factor in the way FDA handles its significant and far-ranging activities, including the way that this legislation is implemented. FDA is committed to implementing the requirements but must do so while continuing to perform our day to day activities and regulatory responsibilities. Without additional funding, FDA will be challenged in implementing the legislation fully without compromising other key functions.

An important piece of the FSMA framework includes efforts that enable FDA to play a central role in the future of global food safety systems and standardization that will further the efforts to allow FDA to leverage the regulatory findings of global counterparts. FDA has made great strides in the venue of Systems Recognition with global regulatory partners.

Progress can be measured in many ways. For FDA, progress can be measured through outputs that include the type of work performed, the timely response and mitigation of issues and emergencies, the furtherance of an integrated food safety system with state partners and global regulatory agencies and the Agency's progress with FSMA implementation to name a few. While the Agency has been working diligently to implement the new FSMA mandates, we have continued to perform our day to day activities. While the Program Activity Data (PAD) numbers may appear to remain the same, the type of work we perform may not be the same as work done in prior years by the Agency.

The investment in FDA for food safety and the additional funding that has been requested will be utilized through several areas within FDA to continue to make this significant paradigm shift in food safety protection possible.

Chairman Aderholt: Please provide to the Committee more detailed information on how the nearly $78 million provided over the last two fiscal years has been utilized.

Response: FDA has been working diligently to implement FSMA over the past fiscal years. In 2013 and early 2014, FDA proposed seven new foundational food safety rules under FSMA to modernize its food safety system and focus on preventing food safety problems, rather than relying primarily on responding to problems after they occur.

Seafood Consumption Advisory and Sunscreen Ingredients

FDA accomplished quite a bit last year, but the Committee has concerns that the Agency may be taking on too many issues prior to finishing some of the critical issues. Congress has directed FDA to make a decision on the seafood advisory for pregnant women and sunscreen ingredients. In addition to the vast responsibilities before the Agency, FDA started new challenging issues

such as proposing a ban on trans fats, re-doing the Nutrition Facts panel, issuing new generic drug labeling rules, and studying the effects of caffeine use in U.S. diets.

Chairman Aderholt: When can the Committee expect decisions on updating the seafood advisory for pregnant women and sunscreen ingredients?

Seafood Advisory for Pregnant Women Response: On June 10, 2014, FDA and EPA jointly issued a draft update to the seafood advice they last issued in 2004. The updated joint advice tracks the current recommendation in the Dietary Guidelines for Americans 2010, issued by the Departments of Agriculture and Health and Human Services, in that it advises pregnant women, women who may become pregnant, and nursing women to eat at least 8 and up to 12 ounces per week of a variety of fish lower in mercury in order to optimize the developmental benefits that fish could provide. The two agencies announced that there would be at least one public meeting on the advice, to be held by the FDA Risk Communication Advisory Committee (RCAC). They also announced that the comment period would be open until 30 days after the last transcript from the advisory meeting and any other meetings that the agencies might hold on this subject become available. The RCAC met on the fish consumer advice on November 3-4 and the transcript from the meeting is now available. No other public meetings have been scheduled,. The date for closure of the public comment period will be published in a Federal Register notice. Once the comment period closes, the agencies will study the public comments, make whatever modifications to the advice are appropriate, and publish the advice in final form. We expect this process to be completed in 2015.

Sunscreen Ingredients Response: We share Congress' commitment, expressed in the recently passed Sunscreen Innovation Act (SIA), to ensure that sunscreens meet modern standards for safety and effectiveness on an expedited basis. While substantial progress has been made, FDA continues its work. The FDA issued a notice of availability as a first step toward implementing the new procedures under SIA for FDA's review of sunscreen active ingredients sought to be added to the over-the-counter (OTC) sunscreen monograph. The SIA deems the six feedback letters previously issued by the FDA to be proposed sunscreen orders subject to new review procedure. The SIA next requires FDA to issue proposed sunscreen orders for the remaining two requests previously submitted as Time and Extent (TEA) applications, within 90 days of enactment. It also sets up timelines for later steps in FDA review. The timing for final decisions permitting or denying marketing of these ingredients will depend on intermediate steps required by the SIA.

Chairman Aderholt: How can you assure us that FDA is prioritizing its activities against the resources available so that the Agency seeks closure to other vitally important public health matters?

Response: As noted, FDA has a vast mission including overseeing the safety and labeling of regulated foods and feed, ensuring that human and veterinary drugs, vaccines, biological products, and medical devices are safe and effective, and regulating tobacco products. These are all areas that impact the health of humans and animals on a daily basis. FDA will continue to balance priorities, such as the seafood advisory for pregnant women and sunscreen ingredients, with the other pressing public health issues.

Food Safety Modernization Act

Rules Related to Food Processing and Produce Safety

This Subcommittee has cautioned FDA before that a "one size fits all" approach to implementing the food safety law will simply not work. With various commodities and growing climates and practices across the country, FDA must assess the risk and focus precious resources on those determined to be higher risk commodities.

Chairman Aderholt: Is FDA determining which commodities are more at risk versus those that pose less of a food safety risk? Please explain how.

Response: FSMA puts forward a risk-based paradigm for regulating food safety, which is reflected in FDA's FSMA implementation efforts across the board. Some provisions of FSMA require FDA to identify higher and/or lower risk foods. Section 204(d)(2) of FSMA requires FDA to designate high risk foods for which certain additional record keeping requirements are appropriate and necessary to protect the public health. In February 2014, FDA issued a draft methodological approach for identifying high-risk foods as required by section 204(d)(2) of FSMA for public comment. In addition, as part of FDA's proposed rulemakings under section 103 of FSMA, FDA put forward draft qualitative risk assessments to identify on-farm manufacturing, processing, packing, or holding activities that are low risk and involve specific foods that have been determined to be of lower risk. FDA published proposed lists in the Federal Register for public comment as part of the original preventive controls rule for human food and the original preventive controls rule for animal food. FDA proposed to exempt on-farm low risk activity/food combinations from the hazard analysis and risk-based preventive controls requirements in those rulemakings.

In the proposed produce safety rule, FDA took a risk-based approach by proposing to exempt produce that represents low risk with respect to microbial hazards, which includes produce that is rarely consumed raw and produce that undergoes commercial processing that adequately reduces the presence of microorganisms of public health significance. For produce that would be covered by the rule, FDA proposed an integrated approach, which focuses on the likelihood of contamination of produce posed by the practices used to grow and harvest the produce. The Qualitative Assessment of Risk that supports the proposed produce rule indicates that many different types of produce have been associated with outbreaks in the past and that one of the most important factors influencing the likelihood of contamination is risky agricultural practices, such as use of contaminated irrigation water. We have specifically solicited comment on our determination, and on whether there are commodity-specific approaches that would adequately minimize the risk of serious adverse health consequences or death and whether such approaches would sufficiently move us toward the prevention-based food safety system envisioned by FSMA. We are currently considering comments in preparing a final rule.

Chairman Aderholt: Will the Agency focus resources on those higher risk commodities, which is a more effective use of funds? Would FDA characterize their current plans under FSMA to be risk-based?

Response: Yes, FDA intends to continue to focus its resources on the highest risk work and we do characterize our current plans under FSMA to be risk-based. In some instances this activity includes explicitly considering the level of risk presented by the commodity, as seen in FSMA sections 204(d)(2) and section 418 of the FD&C Act, "Hazard Analysis and Risk-Based Preventive Controls," which was added by section 103 of FSMA In other instances, it will involve putting forward requirements that are inherently risk-based, such as the hazard analysis and risk-based preventive controls requirements of section 418 of the FD&C Act (added by section 103 of FSMA) and the foreign supplier verification programs required by section 805 of the FD&C Act (added by section 301 of FSMA). Under those proposed rules, industry would evaluate the hazards associated with a food, facility, and/or supplier, and determine which controls need to be put in place to control the significant hazards they identify including what supplier verification measures are appropriate.

As mentioned above, in the proposed produce safety rule, FDA took a risk-based approach by proposing to exempt produce that represents low risk with respect to microbial hazards, which includes produce that is rarely consumed raw and produce that undergoes commercial processing that adequately reduces the presence of microorganisms of public health significance. For produce that would be covered by the rule, FDA proposed an integrated approach, which focuses on the likelihood of contamination of produce posed by the practices used to grow and harvest the produce. The Qualitative Assessment of Risk that supports the proposed produce rule indicates that many different types of produce have been associated with outbreaks in the past and that one of the most important factors influencing the likelihood of contamination is risky agricultural practices, such as use of contaminated irrigation water.

FSMA established a mandated inspection frequency, based on risk, for food facilities that was implemented immediately. The Agency continues to meet the high-risk domestic inspection frequencies and has continued to meet the foreign inspection frequencies that the Agency has indicated are viable given current resources.

Agriculture producers operate on very thin margins and face competitive markets both domestically and internationally.

Chairman Aderholt: What assurances can you offer growers that FDA will be able to require foreign producers to meet equivalent food safety standards?

Response: In general, FDA's rulemakings under FSMA apply equally to foreign producers of imported products and domestic producers. In addition, FSMA authorizes FDA to establish a foreign supplier verification program to ensure that importers perform risk-based foreign supplier verification activities to verify that imported food is produced in compliance with the preventive controls rules and the produce safety rule, and is not adulterated under section 402 of the FD&C Act or misbranded under section 403(w) of the FD&C Act.

FDA continues to invest in the development of an international food safety capacity-building plan, required by section 305 of FSMA, to expand technical, scientific, and regulatory food

safety capacity of foreign governments and their respective food industries. In addition, since FSMA was enacted, FDA has increased its presence overseas and has increased foreign inspections. Global engagement with regulatory counterparts and industry continues to be an important effort to assist in the assurance of global compliance with FDA regulations for products destined for the U.S. FDA needs adequate resources to support these efforts to ensure appropriate oversight of imported food.

Chairman Aderholt: Given the complexity of the issues surrounding the proposed rules, do you believe it is appropriate to rush through these regulations? In other words, is FDA willing to exceed the FSMA final regulation dates negotiated with the courts in order to ensure the regulations have addressed both the new food safety Act as well as stakeholder concerns?

Response: While the dates for final rules under the consent decree are aggressive, FDA intends to meet the negotiated timeframes. In part because of the complexity of the issues surrounding the proposed rules, FDA has engaged and continues to engage stakeholders on multiple fronts to understand the impact of our proposals, including through public meetings, listening sessions, and formal comments. In addition, FDA issued supplemental notices of proposed rulemaking for four of the seven rulemakings under the consent decree in order to provide the public another opportunity to see the agency's current thinking on key issues and provide input. FDA is committed to issuing final rules that fulfill the promise of FSMA and appropriately address stakeholder concerns.

The agricultural community has a long history of working with the federal government, but that experience has been with USDA. FDA has previously stated that they will try to use the State Departments of Agriculture or third party audits to help with enforcement, but farmers and ranchers are concerned that FDA has the potential to be more aggressive than is necessary in dealing with stakeholders they have never regulated or dealt with before.

Chairman Aderholt: Does the Agency envision FDA employees conducting the actual enforcement on the farm? If so, how can FDA assure farmers that their form of enforcement will be fair, balanced, and transparent? If FDA employees are not the ones to conduct the enforcement activities, what parties could serve as proxies (i.e., delegation of authority) to FDA in order to help farmers comply with the eventual final produce rule?

Response: While the agricultural community has a long history of working with the federal government, much of that experience has been with USDA. FDA continues to evaluate all viable options to achieve widespread compliance.

The produce safety rule is intended to improve produce safety related to practices that are implemented by farms. Many farms already follow some or all of the proposed practices, but we recognize that, when finalized, the proposed produce safety rule will be the first national standard for on-farm practices related to produce safety and that it will take time and a concerted, community-wide effort for farms to come into full compliance. FDA is committed to working with the produce community, the U.S. Department of Agriculture, state agencies, and other

partners to help facilitate compliance through education, technical assistance, and regulatory guidance. In addition, FDA is developing an internal programmatic shift with respect to on-farm inspection and compliance activities. It is the Agency's intent to ensure that FDA investigators who will be performing on-farm inspections are specialized and trained specifically for on-farm activities. In addition, the Agency intends to focus its resources first on on-farm compliance, using tools such as education and outreach. Regulatory enforcement will still remain a tool for regulators. However, it is our intent to achieve on-farm compliance first through education and outreach, utilizing regulatory enforcement where needed.

In order to do this successfully, FDA needs the resources to be able to train FDA investigators and state or local inspectors that are commissioned to inspect on behalf of FDA, to develop educational tools, including guidance, and to perform effective outreach activities. FDA anticipates that trade associations and other industry groups might also develop tools to provide detailed assistance to farmers in complying with the final produce safety rule.

Bisphenol A (BPA): Use in Food Contact Application

FDA last updated its guidance on BPA exposure early last year, according to the Agency's website. The Agency states that "Studies employing standardized toxicity tests have thus far supported the safety of current low levels of human exposure to BPA. However, on the basis of results from recent studies using novel approaches to test for subtle effects, both the National Toxicology Program at the National Institutes of Health and FDA have some concern about the potential effects of BPA on the brain, behavior, and prostate gland in fetuses, infants, and young children. In cooperation with the National Toxicology Program, FDA's National Center for Toxicological Research is carrying out in-depth studies to answer key questions and clarify uncertainties about the risks of BPA."

Chairman Aderholt: When and how does FDA intend to inform the public of the results of these new studies? Please inform the Subcommittee of the next steps FDA intends to take to disseminate this important information to the public at large.

Response: On December 5, 2014, FDA issued update on Bisphenol A on its website: http://www.fda.gov/Food/IngredientsPackagingLabeling/FoodAdditivesIngredients/ucm064437.htm and
http://www.fda.gov/food/ingredientspackaginglabeling/foodadditivesingredients/ucm166145.htm
As part of the website update, we posted FDA's recently completed evaluations of the scientific literature and updated safety assessment. These evaluations were conducted by a team of FDA scientists specializing in toxicology, analytical chemistry, endocrinology, epidemiology, and other fields. The evaluations included an extensive and systematic review of more than 300 scientific studies on BPA published by researchers between November 2009 and July 2013. The National Toxicology Program's subchronic rodent study, as well as a battery of pharmacokinetic studies and toxicological studies conducted at FDA's National Center for Toxicological Research (NCTR), were included in the Agency's evaluation. The review of these studies confirmed FDA's current view that BPA is safe at the current levels occurring in foods. FDA is continuing to study this issue, most notably through a two-year study underway at NCTR, and the results of that study will be made publicly available when it is complete.

Tobacco Harm Reduction

Chairman Aderholt: What actions has the FDA taken related to advancing harm reduction and the concept of a continuum of risk?

Response: FDA recognizes that there is a continuum of risk for users of tobacco products and will rely on sound science to evaluate the public health impact of new FDA-regulated tobacco products. Actions the agency has taken to approach harm reduction include issuing draft guidance on modified risk tobacco products, and in the proposed deeming regulation, soliciting comments on the continuum of risk and how it should impact regulatory policy. The concept of risk also plays a role in the agency's evaluation of new products. For example, in the premarket tobacco application context, the agency's product evaluation includes an assessment of the risks and benefits to the population as a whole including users and nonusers of the tobacco product, and taking into account the increased or decreased likelihood of initiation and cessation.

Chairman Aderholt: You have stressed the importance of innovation with respect to the products FDA regulates. Does the FDA's focus on innovation include tobacco products?

Response: Tobacco products are fundamentally different from other products FDA regulates because regulated tobacco products – cigarettes, cigarette tobacco, smokeless tobacco, roll-your-own tobacco – have no health benefits and have known harms and risks associated with their use.

Tobacco companies have recently introduced some newer forms of tobacco products which are not currently regulated. FDA published the proposed deeming rule to expand its authority over additional tobacco products not already under FDA's authority. Once FDA finalizes this rulemaking, some provisions in FD&C Act would automatically apply to all "deemed" tobacco products. We will need to give careful consideration to the public health effects of any newer forms of products that are subject to FDA regulation, especially when evaluating them under the new tobacco product authorities. These changes in the marketplace need to be carefully considered given the premarket tobacco application authorities that will apply to many novel products. In that context, FDA considers the impact of marketing on both users and non-users, including the impact on both initiation and cessation. To that end, FDA is supporting research to better understand these newer products with regard to their relative risks compared to other tobacco products at both the individual and population level. It is critically important to evaluate these products not only in terms of the relative health risks to individuals, but the increased or decreased likelihood that nonusers will start using the product, tobacco users who would otherwise stop using tobacco products will switch to the new product, tobacco users will continue tobacco use in combination with one or more new tobacco products, and former users will begin using the new product.

Section 907, a provision of the FD&C Act, also gives the FDA authority to establish tobacco product standards. FDA believes that this is an important tool that may lead to innovations that will make currently marketed products less harmful.

Chairman Aderholt: How does the Agency's focus on innovation relate to the concept of tobacco-related harm reduction?

Response: Tobacco companies have recently introduced newer forms of tobacco products. Even though many of these products are not currently regulated by FDA, FDA published the proposed deeming rule to expand its authority over additional products that meet the statutory definition of "tobacco product." Once FDA finalizes this rulemaking, we will give careful consideration to the public health effects of any newer forms of products that are subject to FDA regulation, especially when evaluating them under premarket tobacco application authorities that will apply to many novel products. FDA is supporting research to better understand these newer products and their relative risks at both the individual and population level. Because of the population health standard that will apply to many of these products, these products must be evaluated not only in terms of the relative health risks to individuals, but also taking account of the increased or decreased likelihood that nonusers, current users, and former users will begin using the new product.

Section 918, a provision of the FD&C Act as added by the Tobacco Control Act, addresses nicotine replacement products to assist with treating tobacco dependence. FDA sees Section 918 as a valuable tool to regulate, promote, and encourage the development of innovative products and treatments to promote reductions in consumption of tobacco and related harms.

In addition, on April 2, 2013, FDA issued a Federal Register Notice related to over-the-counter (OTC) nicotine replacement therapy (NRT) products, which are currently approved as aids to smoking cessation. In that notice, FDA announced that certain statements set forth in the approved labeling of OTC NRT products, including statements related to duration of use and concomitant use with other nicotine-containing products can be modified. FDA intends to allow the modification of these statements because evidence has accumulated to suggest that the current labeling provisions on concomitant use and duration of use may no longer be necessary to ensure the safe use of OTC NRT products for smoking cessation. Smokers' dependence on nicotine prevents many who try to quit from being successful, and these approved drug products supply controlled amounts of nicotine to ease withdrawal symptoms associated with a quit attempt.

Chairman Aderholt: As you know, the Family Smoking Prevention and Tobacco Control Act defines a product approval pathway for modified risk tobacco products (MRTPs). What has the FDA done to encourage the development of MRTPs by tobacco product manufacturers?

Response: The MRTP provision is not a new tobacco product marketing authorization pathway. Under Section 911, a provision of the FD&C Act (as added by the Tobacco Control Act), FDA has been given authority to issue an order authorizing a product as modified risk taking into account the relative health risks to individuals of the product, the likelihood that existing users of tobacco products who would otherwise stop using will switch to the product, the likelihood that persons who do not use tobacco products will start using the product, and the risks and benefits from the use of the product as compared to the use of products for smoking cessation approved to treat nicotine dependence, and comments and information submitted by interested persons. If the modified risk tobacco product is a new tobacco product within the meaning of section 910(a)(1), a provision of the FD&C Act, any applicable premarket review requirements under section 910 of the FD&C Act must also be satisfied.

Draft guidance was released for public comment in March 2012 for those persons that seek to market a modified risk tobacco product. The draft guidance discusses how to organize, submit, and file an application, what scientific studies and analyses to submit, and what information to collect through post-market surveillance and studies if an FDA order authorizing the marketing of the product is issued. Since the release of this draft guidance, FDA has been meeting with manufacturers to discuss studies the manufacturers have proposed to provide, and the scientific evidence needed to demonstrate that the issuance of a MRTP order would be appropriate. FDA provided feedback on these proposed studies to manufacturers so that they can provide the information FDA will need to make decisions about proposed modified risk products.

In August 2014, ten MRTP applications were filed by FDA and are currently undergoing scientific review. FDA is required to make MRTP applications available to the public (except matters in the applications which are trade secrets or otherwise confidential, commercial information) and to request comments on the information contained in the applications and on the label, labeling, and advertising accompanying the applications. The MRTP applications were made available to the public on August 27, 2014 and a docket was opened for public comment.

Industry-Funded Research

Chairman Aderholt: What is FDA's position as it relates to industry-funded or industry-conducted research?

Response: Research funded and conducted by industry contributes significantly to the agency's regulatory activities. For example, evidence developed and sponsored by industry in support of a new drug application is evaluated by the agency when authorizing new products. The agency works with industry to help ensure industry research can provide reliable information and that studies are conducted in an appropriate manner.

Chairman Aderholt: Do you agree the industry has a role to play in conducting research related to its products and submitting the data to FDA for its evaluation?

Response: The agency believes industry has a significant role in developing the evidence base the agency uses in evaluating products. The agency likewise has an important role in helping to ensure industry developed research is reliable and that studies are conducted appropriately.

Chairman Aderholt: Isn't FDA the final arbiter of all industry-submitted data or scientific analyses?

Response: FDA has a critical role in reviewing evidence submitted by industry, and determining if any agency action is warranted. For example, after industry submits data in support of a new drug application, FDA must evaluate that information and determine whether to approve the new drug, deny the new drug application, or request further information from the applicant.

Reagan-Udall Foundation

Chairman Aderholt: Please provide the Committee with an update on what FDA is doing in partnership with the Reagan-Udall Foundation. Why should taxpayer dollars be spent on this?

Response: On-going Research. FDA seeks the Foundation's assistance on challenging, high-priority, and insufficiently addressed areas of regulatory science. Currently, FDA is working with the Foundation and many others in three public-private partnerships:

- The Innovation in Medical Evidence Development and Surveillance Program is developing methods for using electronic health data to generate information about the post-market safety performance of FDA regulated products.
- The Critical Path to Tuberculosis (TB) Drug Regimens Project is working to accelerate the development of new multidrug regimens to treat TB.
- The Systems Toxicology Project is an ambitious and innovative effort to better understand how a common class of cancer chemotherapies, tyrosine kinase inhibitors, cause cardiac adverse events, using the cutting edge tools of systems biology.

Each of these partnerships is an extensive collaboration of public, academic, foundation, patient, and industry experts.

High Return on Investment of tax dollars. Foundation projects are funded primarily through private and non-profit sources of funding. A small portion of Reagan-Udall's annual budget ($500,000 -- $1.25 million) is provided by FDA through a transfer of funds mandated by the FDA Amendments Act of 2007 which created the Foundation. This small taxpayer investment allows FDA to leverage significant private funds, and broad-based private expertise, to tackle these and other high-priority scientific questions.

Research results and information on project funding are available on the Foundation's web site. http://www.reaganudall.org/

Pathway to Global Product Safety and Quality

Chairman Aderholt: Provide the Committee with an update of activities that have occurred during the past year regarding the Pathway initiative, including efforts to conduct more risk assessments and information sharing.

Response: In June 2011, the FDA published a report entitled, "Pathway to Global Product Safety and Quality" ("Pathway Report"). The FDA has implemented a number of strategies and activities to address global challenges and the path forward articulated in the Pathway Report. These approaches and activities are comprehensive and were incorporated into FDA's strategic plan, as well as the Agency's priorities and general efforts in response to globalization. These activities continue to evolve to keep pace with a fluid regulatory environment and global landscape.

FDA's Office of International Programs (OIP) strategic plan focuses on five strategic approaches: advancing diplomacy; strengthening global regulatory systems; collecting and

sharing intelligence and information; utilizing global data networks and analytics; and achieving operational, workforce and organizational excellence.

To advance diplomacy, the Agency has strengthened longstanding relationships with regulatory counterparts and global coalitions. FDA utilizes information-sharing arrangements with other countries and multilateral partners. Many of these arrangements are confidentiality commitments, which allow FDA and its partners to exchange selected nonpublic information, a foundation of many of the Agency's international cooperative activities. One example of FDA's role in global coalitions is the Global Food Safety Partnership (GFSP). The GFSP provides a unique platform that allows the public sector, international organizations, non-governmental organizations (NGOs), and the private sector to have an open dialogue and work together toward the common goal of improving food safety. One of the key aims of this partnership is to scale up the world's response to food safety challenges in a way that no individual stakeholder could do alone.

FDA works with our foreign regulatory partners to strengthen global regulatory systems and inspectional capacity in several countries. Under this approach, FDA has afforded regulatory counterparts with the opportunity to observe FDA inspections as well as participate in instructional seminars delivered by FDA staff based at our foreign offices. For example, FDA's Latin America Office (LAO), which covers 44 countries and territories including Mexico, Central America, and the Caribbean, is actively working with competent authorities (CAs) in that region to further FDA's regulatory oversight. LAO has promoted the idea of the local government observing FDA's inspections in a variety of countries within Latin America. The FDA Mexico Post is partnering with Mexican CAs to conduct follow-up inspections to ensure compliance when an FDA inspection results in deviations from the regulations and when a firm agrees to voluntarily correct these deficiencies. In addition, LAO also has been successful in establishing relationships with its Mexican counterparts to take control of imported products that FDA refuses and the importer sends to Mexico.

FDA sees great opportunity in strengthening regulatory systems globally; an area that the Commissioner has been championing for several years. In May 2014, the Commissioner participated in the 67th meeting of the World Health Assembly in Geneva, Switzerland, where 194 WHO Member Nations adopted a resolution to strengthen regulatory systems. The resolution endorses a comprehensive approach to strengthening medical product regulation and represents a basic change from traditional capacity-building that focused primarily on sharing technical expertise. This new systems approach embraces the need for a strong legal framework and the use of data and information technology, leadership, partnership, and sustainable financing to strengthen regulatory effectiveness and efficiency.

The Agency's activities to collect and share intelligence and information incorporate an increased focus on expanding FDA's knowledge of the global landscape. FDA's foreign offices assist the Centers by gathering various types of information related to inspections, outbreaks, and product recalls. FDA's foreign offices also engage with foreign regulatory counterparts on intelligence gathering.

Because of its overseas presence, the Agency is able to utilize global data networks and analytics to gather and share information in real-time to assist with the Agency's decision-making. For example, FDA expanded upon its efforts to regulate the quality and safety of products entering the U.S. from China through the China Safety Initiative. Through partnerships, the China Safety Initiative includes a project to verify 1150 manufacturing and production sites of FDA-regulated commodities in China to better assess inspection prioritization needs, in addition to other projects that utilize innovative methodologies and monitoring of non-traditional data sources to better inform Agency decision-making. Additionally, the Europe Office facilitates significant regulatory dialogue between the U.S. and Europe. By working, in many cases, with mature regulatory counterparts, the Agency's data and information exchanges and technical expertise continues to grow. For example, in 2014, FDA's Europe Office shared an increasing number of files with counterpart regulators, including 87 exchanges of non-public information, to support risk assessment and the implementation of risk management measures. This work is underpinned by an expanding infrastructure, such as confidentiality commitments and memoranda of understanding. Approximately 50 percent of the Agency's confidentiality commitments are with organizations in the Europe region.

Finally, FDA's OIP is also focused on achieving operational, workforce and organizational excellence. The Agency has focused workforce planning efforts overseas in four areas: recruitment and retention, learning and development, succession planning, and performance management. Highlights of key accomplishments include: posting open continuous vacancy announcements as a recruitment tool for would-be investigators overseas; utilizing OIP's tour renewal and extension program to renew deployments abroad with input from the Office of Regulatory Affairs and the Centers; and providing short-term temporary duty (TDY) deployments to meet the Agency's immediate workforce needs. The Agency will continue to build upon these successes as it expands its overseas staff in the future.

Chairman Aderholt: Has the FDA completed its evaluation of an action plan for the initiative? What is the current status of the action plan? Please provide a copy of that plan for the record. If FDA has not completed the plan, when does the FDA plan to complete it?

Response: Please see response to previous question.

Chairman Aderholt: Provide an update on the strategies FDA is utilizing to handle the growth in imported products? Please be specific.

Response: FDA developed and, beginning in 2009, deployed the Predictive Risk-based Evaluation for Dynamic Import Compliance Targeting (PREDICT) system. PREDICT replaced our legacy screening tool with a more dynamic and comprehensive assessment that takes into account information from a wider variety of sources, including "open source" intelligence, results of previous FDA examinations and analyses of products, firm inspectional history, inherent product risk factors, import entry data anomalies, automated database look-ups related to firm registrations or licensing and product listing and approval status and import entry filer data quality. The inherent risk rules benefit FDA in focusing operational resources with a more risk-based approach.

FDA developed and deployed the Import Trade Auxiliary Communication System (ITACS), which facilitates two-way communication with the import trade community. ITACS allows users to check the status of FDA-regulated entries and lines, to submit entry documentation, and to submit the location of goods availability for those lines targeted for FDA exam. The system is currently under contract for modification which will allow for FDA notifications to be sent directly to regulated industry via electronic means, which will allow for more timely and efficient communications.

FDA is currently running a Secure Supply Chain Pilot Program (SSCPP). The SSCPP is allowing FDA to assess the various entities and processes involved in a repetitive-type import chain; and if found acceptable and if all information is accurately submitted at the time of entry, would allow for more and quicker system-based releases of shipments (as opposed to having to manually verify required information). If successful the expansion of this program will help expedite the admissibility process for pharmaceuticals originating from known sources, destined for known US entities.

FDA along with the Consumer Product Safety Commission (CPSC) is also participating in the Trusted Trader Program. This is a pilot program in coordination with Customs and Border Protection (CBP) designed to integrate supply chain security (under the Customs-Trade Partnership Against Terrorism (C-TPAT)), trade enforcement, and import safety under a partnership program. The goal is to enhance information sharing and efficient use of government-wide resources for low risk importers.

FDA is in the process of implementing the Voluntary Qualified Importer Program (VQIP) for Food and Feed to help facilitate the import entry of products from highly compliant importers. VQIP is a formal voluntary program under which importers may submit evidence of regulatory compliance and safety controls to participate in the program, which provides for expedited release of entries imported into the U.S. FDA continues to work on the operational design of VQIP; currently, IT requirements are being addressed and importer user fees are in development.

FDA continues leveraging partnerships with other government agencies and industry groups. One example is FDA's participation in the Border Interagency Executive Council (BIEC). The BIEC is comprised of representatives from numerous federal agencies, providing a forum for interagency coordination to fulfill requirements under Executive Order 13659 on Streamlining the Export/Import Process for America's Businesses. BIEC is currently working on many areas benefitting federal agencies and the trade community, including information sharing, electronic transmission of documents, and trusted partnership programs.

FDA also leverages partnerships with our involvement in the Advisory Committee on Commercial Operations of Customs and Border Protection (COAC). COAC is a 20 member council that meets quarterly and advises government agencies on the commercial operations of CBP and related functions, taking into consideration issues such as: global supply chain security and facilitation, CBP modernization and automation, air cargo security, customs broker regulations, trade enforcement, U.S. government approach to trade and safety of imports, agriculture inspection, and protection of intellectual property rights. Currently, FDA and the

other government agencies are assessing 32 recommendations made by the COAC related to import operations.

Another area of partnership is FDA's involvement in the Commercial Targeting and Analysis Center (CTAC). CTAC includes representatives from partner agencies in order to share knowledge, experience, and best practices for effective enforcement of our Nation's laws. CTAC provides a streamlined communication channel between agencies, enhancing Federal efforts to address import safety issues.

FDA continues work on streamlining, improving, standardizing and clarifying import processes wherever appropriate. Under this Import Operations Strategic Plan (IOSP), the top to bottom review includes FDA field and HQ personnel, with standing workgroups covering entry admissibility, filer evaluations, and enforcement activities.

Chairman Aderholt: Provide the Committee with an update on the use of third-party audits.

Response: In January 2014, the Medical Device Single Audit Program (MDSAP) Pilot Program was initiated. FDA is participating in this pilot alongside other international partners. This program includes the use of third party auditors to provide FDA with additional information related to the compliance status of manufacturers, thus expanding FDA's knowledge of regulated industry when identifying manufacturers for routine surveillance inspections. During the pilot, FDA is accepting the MDSAP audit reports as a substitute for routine FDA inspections. FDA will still perform "for-cause" or "compliance follow-up" inspections when warranted. In implementing and assessing this pilot, FDA aims to have increased information with which to perform its risk-based work planning, allow for greater efficiency in FDA's use of resources, and provide broader understanding of regulated industry. This program is intended to lead to greater regulatory and consumer confidence in the medical device supply chain and to help ensure that medical devices currently on the U.S. market remain safe and effective. Since January, two Auditing Organizations have been accepted into the program, and to date, six audits have been performed. Several other AOs are actively seeking recognition as MDSAP auditors.

Chairman Aderholt: How specifically has FDA engaged the Chinese government to facilitate more information sharing, ensure product safety and quality, and conduct other related activities?

Response: Having FDA staff based in China has allowed the Agency to inform the Chinese regulatory process and enhance cooperation against substandard products headed for American markets. As a result, Chinese regulators have become important strategic partners for FDA. Today, China's Food and Drug Administration (CFDA), which mainly regulates medical products, regularly joins FDA inspections to see how FDA works to ensure that firms are complying with FDA requirements.

FDA also collaborates on technical issues: FDA's China-based staff has provided training to over 1,000 Chinese regulators. Examples include training Chinese inspectors how to perform GMP inspections of drug facilities; General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) inspectors how to detect fraudulent record-keeping; and how to develop food defense and protection plans. These trainings are intended to deliver higher quality products from a better-trained Chinese regulatory workforce, for the benefit of the American

consumer. In the last year, FDA's in-country experts have helped to train Chinese inspectors on how to do GMP inspections of drug facilities, and have trained AQSIQ inspectors on how FDA detects fraudulent recordkeeping. And in September, FDA experts on food defense and food protection provided hands-on training for Chinese regulators on how to develop plans for food defense.

FDA now meets formally with CFDA in Beijing every month, and on an ad hoc basis with AQSIQ, as well as bilaterally each year with both regulatory authorities.

FDA Transparency

Chairman Aderholt: Please provide the Committee with an update on the current status of the FDA Transparency initiative that was begun in fiscal year 2010?

Response: FDA launched its Transparency Initiative to make more useful, user-friendly information about Agency activities and decision-making publicly available.

Some notable actions FDA has taken in recent years to implement the Transparency Initiative include:

- The Transparency Initiative resulted in FDA's issuance of two reports on public access to compliance and enforcement data, one in October 2011, proposing initiatives to increase access to the Agency's compliance and enforcement data, and the other in January 2012, committing the Agency to explore those initiatives. Thereafter, FDA established eight working groups with representatives from all of FDA's centers and several of its offices to explore eight initiatives for making FDA's publicly available compliance and enforcement data more accessible and user-friendly. Each group was asked to draft a report on the initiative assigned to it that included its findings and recommendations for moving forward. All of these efforts culminated in FDA's release on April 22, 2014, of a report recommending ways to enhance the transparency and public accessibility of the Agency's compliance and enforcement data.
- In September 2014 FDA launched a Data Dashboard—a tool to share inspectional and compliance related data in easily understood graphical formats while also allowing users access to the underlying data—which implemented, in whole or in part, several of the recommendations made in the April 22, 2014, report on increasing public access to the Agency's compliance and enforcement data.
- The Transparency Initiative created a cross-agency working group to identify best practices for improving the transparency and efficiency of FDA's guidance development process. This process culminated in the issuance of a report recommending several strategies to expedite the planning, finalization, issuance, implementation, and, where relevant, withdrawal of agency guidance, as well as webinars and other electronic means to increase public awareness of recently issued and withdrawn guidance.
- On June 4, 2013, FDA published a *Federal Register* notice on Availability of Masked and De-identified Non-Summary Safety and Efficacy Data; Request for Comments, which requested public comment on the proposed availability of patient-level data derived from medical product marketing applications. The data would be made available

after steps have been taken to remove information that would identify patients, as well as a specific product application or company.

As part of the Transparency Initiative, FDA launched a web-based resource called FDA Basics for Industry, which makes basic information about the regulatory process more accessible to industry and the public in a user-friendly format. This resource has provided information on numerous matters, including:

- Each Center's process for industry to submit general regulatory questions and for directing inquiries to individuals with additional expertise.
- All Center guidance and standard operating procedures on FDA employees' meetings with sponsors about product applications.
- The types of notifications FDA provides industry associated with the product application review process; the Agency's practice of furnishing sponsors contact information for individuals who should be contacted with questions about product applications; and the processes used to strive for consistency of product application review.
- Ways in which interested individuals can provide input to the Agency about guidance development.
- Annually updated contact information for each import program manager.

Examples of information now available to the public as a result of the Transparency Initiative include:

- A searchable database for major product recalls, supporting industry efforts to enable consumers to identify products subject to recall.
- Expanded online posting of untitled letters and, for companies who corrected violations cited in warning letters, official "close-out" notices.
- Office of Regulatory Affairs Annual Field Workplans (dating back to FY01).
- Filer evaluation outcomes for importers or third parties working on behalf of importers.
- Basic information about inspected entities, inspection dates, FDA-regulated products involved, and final inspection classifications.
- The most common objectionable conditions or practices observed during FDA inspections.

Sodium Intake

In last year's questions for the record, FDA was asked to comment on recent studies that show that reduced levels of sodium can cause serious health problems. FDA's response was that the Centers for Disease Control and the Institute of Medicine (IOM) were going to look at that issue and those studies. The IOM is currently conducting such a review and is expected to issue its report in the near future. However, even though there is significant scientific controversy in this area, and even though the IOM has yet to issue its report, the FDA has chosen to spend valuable food safety resources urging people to beware of foods, specifically processed foods, because of sodium content. I am referring specifically to the FDA Food Safety web home page this month, where button number 3 on that page displayed the caution to the public.

Chairman Aderholt: Wouldn't the prudent approach for the FDA be to wait for the IOM findings before engaging in its own promotional effort?

Response: In May 2013 the Institute of Medicine (IOM) released their findings in the report, "Sodium Intake in Populations, Assessment of Evidence". The IOM was asked to examine the latest body of research on dietary sodium intake and health outcomes in the general U.S. population and among individuals in special subpopulations (e.g. those with hypertension, etc.) as well as to comment on new evidence as it relates to population-based strategies to gradually reduce sodium. They were also asked to identify research gaps. The Committee found that the available evidence on associations between sodium intake and direct health outcomes (e.g. heart disease and stroke) is consistent with current population-based efforts to lower excessive dietary sodium intakes to 2,300mg/day, but it is insufficient and inconsistent with efforts that encourage lowering of dietary sodium in the general population to 1,500 mg/day. Further, there was no evidence on health outcomes to support treating population subgroups differently from the general U.S. population. The Committee noted that more randomized controlled trials will be needed, particularly to inform the association between lower levels of sodium (e.g. 1,500-2,300 mg/day) and health outcomes.

FDA has had ongoing engagement with our federal partners to determine the best science-based steps to take in regard to benefiting public health. The 2013 IOM report reaffirmed that sodium intake levels in the U.S. are too high, and since their findings support current population-based efforts to lower excessive dietary sodium, we are continuing to consider options for sodium reduction, such as consumer education and the development of draft voluntary sodium reduction targets. Achievement of voluntary long-term sodium reduction targets would result in a mean population sodium intake close to 2,300 mg/day and is aligned with current sodium intake recommendations from both the IOM and the U.S. Dietary Guidelines for Americans.

GAO/OIG Reports

Chairman Aderholt: Please provide a listing of all GAO reports conducted on FDA programs and activities in fiscal year 2012 and fiscal year 2013.

Response:

GAO Final Reports – FY 2012	
Final Report Title And Number	**Hyperlink To Final Report**
Prescription Drugs: FDA Has Met Most Performance Goals for Reviewing Applications	http://www.gao.gov/products/GAO-12-500
Antibiotics: FDA Needs to Do More to Ensure That Drug Labels Contain Up-to-Date Information	http://www.gao.gov/products/GAO-12-218
Information Technology: FDA Needs to Fully Implement Key Management Practices to Lessen Modernization Risks	http://www.gao.gov/products/GAO-12-346

GAO Final Reports – FY 2012	
Final Report Title And Number	**Hyperlink To Final Report**
Medical Devices: FDA Should Expand Its Consideration of Information Security for Certain Types of Devices	http://www.gao.gov/products/GAO-12-816
Food and Drug Administration Employee Performance Standards for the Timely Review of Medical Product Applications	http://www.gao.gov/products/GAO-12-650R
Food Safety: FDA Can Better Oversee Food Imports by Assessing and Leveraging Other Countries' Oversight Resources	http://www.gao.gov/products/GAO-12-933
Freedom of Information Act Additional Actions Can Strengthen Agency Efforts to Improve Management	http://www.gao.gov/products/GAO-12-828
Patient Safety: HHS Has Taken Steps to Address Unsafe Injection Practices, but More Action Is Needed	http://www.gao.gov/products/GAO-12-712
Nanotechnology: Improved Performance Information Needed for Environmental, Health, and Safety Research	http://www.gao.gov/products/GAO-12-427
Medical Devices: FDA Has Met Most Performance Goals but Device Reviews Are Taking Longer	http://www.gao.gov/products/GAO-12-418
National Preparedness: Countermeasures for Thermal Burns	http://www.gao.gov/products/GAO-12-304R
FDA Staffing/Resources for Food Safety	none – briefing slides were provided to Congressional requestors, but no final report was issued
President's Emergency Plan for AIDS Relief: Agencies Can Enhance Evaluation Quality, Planning, and Dissemination	http://www.gao.gov/products/GAO-12-673
Food Safety: Preslaughter Interventions Could Reduce E. coli in Cattle	http://www.gao.gov/products/GAO-12-257
Seafood Safety: Responsibility for Inspecting Catfish Should Not Be Assigned to USDA	http://www.gao.gov/products/GAO-12-411
Telecommunications: Exposure and Testing Requirements for Mobile Phones Should Be Reassessed	http://www.gao.gov/products/GAO-12-771
Tobacco Taxes: Large Disparities in Rates for Smoking Products Trigger Significant Market Shifts to Avoid Higher Taxes	http://www.gao.gov/products/GAO-12-475

GAO Final Reports – FY 2013

Final Report Title and number	Hyperlink to Final Report
Actions Needed to Help Ensure Combat Casualty Care Research Achieves Goals	http://www.gao.gov/products/GAO-13-209
Political Intelligence: Financial Market Value of Government Information Hinges on Materiality and Timing	http://www.gao.gov/assets/660/653532.pdf
Children's Mental Health: Concerns Remain about Appropriate Services for Children in Medicaid and Foster Care	http://www.gao.gov/products/GAO-13-15
Critical Infrastructure Protection: DHS Could Strengthen the Management of the Regional Resilience Assessment Program	http://www.gao.gov/assets/660/656344.pdf
Dietary Supplements FDA May Have Opportunities to Expand Its Use of Reported Health Problems to Oversee Products	http://www.gao.gov/products/GAO-13-244
Drug Compounding: Clear Authority and More Reliable Data Needed to Strengthen FDA Oversight	http://www.gao.gov/products/GAO-13-702
Drug Control: State Approaches Taken to Control Access to Key Methamphetamine Ingredient Show Varied Impact on Domestic Drug Lab	http://www.gao.gov/products/GAO-13-204
Electronic Drug Labeling No Consensus on the Advantages and Disadvantages of Its Exclusive Use	http://www.gao.gov/products/GAO-13-592
Internet Pharmacies: Federal Agencies and States Face Challenges Combating Rogue Sites, Particularly Those Abroad	http://www.gao.gov/products/GAO-13-560
Health Care Fraud and Abuse Control Program: Indicators Provide Information on Program Accomplishments, but Assessing Program Effectiveness is Difficult	http://www.gao.gov/products/GAO-13-746
International Regulatory Cooperation: Agency Efforts Could Benefit from Increased Collaboration and Interagency Guidance	http://www.gao.gov/products/GAO-13-588
National Preparedness:	http://www.gao.gov/products/GAO-14-90

GAO Final Reports – FY 2013	
Final Report Title and number	**Hyperlink to Final Report**
HHS Is Monitoring the Progress of Its Medical Countermeasure Efforts but Has Not Provided Previously Recommended Spending Estimates	
National Preparedness: Efforts to Address the Medical Needs of Children in a Chemical, Biological, Radiological, or Nuclear Incident	http://www.gao.gov/products/GAO-13-438
New Tobacco Products: FDA Needs to Set Time Frames for Its Review Process	http://www.gao.gov/products/GAO-13-723
Preventive Health Activities: Available Information on Federal Spending, Cost Savings, and International Comparisons Has Limitations	http://www.gao.gov/products/GAO-13-49
U.S.-Mexico Border: CBP Action Needed to Improve Wait Time Data and Measure Outcomes of Trade Facilitation Efforts	http://www.gao.gov/products/GAO-13-603

Chairman Aderholt: Provide a listing of all OIG audits and investigations on FDA programs and activities in fiscal year 2012 and fiscal year 2013.

Response:

OIG Final Reports: FY 2012	
Final Report Title and number	**Hyperlink to Final Report**
Continuing Information Security Weaknesses Pose Risk to Operations and the Mission of the Food and Drug Administration	none
Vulnerabilities in FDA's Oversight of State Food Facility Inspections	http://oig.hhs.gov/oei/reports/oei-02-09-00430.pdf
Scientific Disagreements Regarding Medical Device Regulatory Decisions	http://oig.hhs.gov/oei/reports/oei-01-10-00470.pdf

OIG Final Reports FY 2013	
Final Report Title and number	**Hyperlink to Final Report**
FDA Lacks Comprehensive Data To Determine Whether REMS Improve Drug Safety	http://oig.hhs.gov/oei/reports/oei-04-11-00510.asp

OIG Final Reports FY 2013	
Final Report Title and number	**Hyperlink to Final Report**
FDA's Clearance of Medical Devices Through the 510(k) Process	http://oig.hhs.gov/oei/reports/oei-04-10-00480.asp
High-Risk Compounded Sterile Preparations and Outsourcing by Hospitals That Use Them	http://oig.hhs.gov/oei/reports/oei-01-13-00150.pdf
Dietary Supplements: Companies May Be Difficult To Locate in an Emergency	http://oig.hhs.gov/oei/reports/oei-01-11-00211.asp
Dietary Supplements: Structure/Function Claims Fail To Meet Federal Requirements	http://oig.hhs.gov/oei/reports/oei-01-11-00210.asp

Medical Countermeasures initiative (MCMi)

Chairman Aderholt: Provide a current update on the $24,504,000 that the Congress provided to FDA in fiscal year 2014. Include a copy of the spending plan that accompanied this increase and any modifications to that plan since it was submitted.

Response: In FY 2014, Congress provided a base increase of $1,004,000 to support its Medical Countermeasures Initiative (MCMi). Prior to FY 2014, the FDA MCMi funding level was $23,548,000, bringing the FY 2014 funding level to $24,552,000. FDA used the increase of $1,004,000 primarily to support an additional 3.5 FTE in the medical product review divisions that support medical countermeasure development and review (1.5 FTE in CBER, 1 FTE in CDER, and 1 FTE in CDRH). The following table lists the breakdown of the FY 2014 MCMi base funding by Center/Office.

FY 2014 MCMi Base Funding		
Center/Office	**BA**	**BA FTE**
CBER	2.395	10.00
CDER	6.020	21.50
CDRH	4.001	16.00
HQ – OC*	10.312	33.00
GSA Rent & Rent Related	1.824	0
Total	**24.552**	**80.5**

*HQ – OC base resources include funding to support FTE as well as funding to support the MCMi Regulatory Science Program

FDA has requested a funding level of $24,504,000 for MCMi in FY 2015.

New User Fees

Chairman Aderholt: For each of the new user fees that FDA proposes for fiscal year 2015, provide the following:

Proposed legislative language; the way in which proposed fee amounts were derived; the customer(s) who would pay; estimated number of fee paying applicants; estimated fiscal year 2014 spending on current FDA-related activity; programs/activities that the fee will support, including FTE, by center/field; number of meetings held with affected industry prior to the fee being proposed; and, estimated collections.

Response:

Food Facility Registration and Inspection User Fee

Proposed legislative language: FDA does not have proposed authorizing language for this user fee at this time.

Proposed fee amounts were derived: The user fee request represents the level of resources required to administer these additional authorities for food safety. A fee structure would be developed through negotiations with industry.

Customer(s) who would pay: The owner, operator, or agent in charge of the facility who is identified in the registration of a registered facility would be responsible for paying the fee on an annual basis, unless they reached the cap and at that point they would not have to pay for any additional facilities. Because farms are, by definition, not facilities that are required to register under the FD&C Act, most farms would not be required to pay this fee unless they also operated another covered facility.

Estimated number of fee paying applicants: The estimate that was used assumed 244,000 facilities (114,000 domestic and 130,000 foreign).

Estimated fiscal year 2014 spending on current FDA-related activity: Given the crosscutting nature of these activities, it is difficult to estimate the FY 2014 spending.

Programs or activities that the fee will support, including FTE, by center and field: The planned allocation of the proposed registration user fee revenues in FY 2015 would be $23.3 million for the Center for Food Safety and Applied Nutrition (CFSAN) and $27.4 million for CFSAN related field activities and $1.6 million for the Center for Veterinary Medicine (CVM), and $1 million for CVM related field activities. The fee would also provide $4.6 million for program support activities and $2.3 million for rent activities.

These resources would be devoted to food safety activities, such as the design, development, and implementation of new food and feed FSMA regulations and guidances. It would also support the development and implementation of preventive controls training for FDA inspectors and other personnel, as well as our regulatory partners at the state, local, and tribal levels. In addition, the funds would be used to improve inspection and compliance planning efforts; increase state funding through grants; and increase coordination of laboratory and response capabilities associated with food borne illness outbreaks. FDA would also expand national standards for laboratories; establish verification program efforts; enhance efforts supporting laboratory accreditation programs; implement inspector certification programs; and improved risk based modeling.

Number of meetings held with affected industry prior to the fee being proposed: Since a registration fee was included in the President's FY 2013 Budget Request, FDA began engaging with the food and feed industries to determine the level of support for this fee to help with funding implementation of FSMA, a statute fully supported by the food industry. From July 2012 to April 2013, FDA participated in 25 meetings with a broad cross section of the food and feed industry regarding their thoughts and ideas for implementing the FSMA food safety program in a way that meets their commercial needs while remaining primarily focused on the core principle of food safety for FDA and the American consumer. Finally, we discussed alternative ways to resource these new programs and services. The more frequent discussions focused on the import fee but there were also discussions regarding the proposed registration fee.

Estimated collections: $60 million in FY 2015 if legislation is passed.

Food Import User Fee

Proposed legislative language: FDA does not have proposed authorizing language for this user fee at this time.

Proposed fee amounts were derived: The fee would be derived from a modest fee with a large volume of fee-paying lines that would generate the needed revenue of $169 million to accomplish both the improvements identified by the industry as well as the FDA needs for incremental resources to fully implement the many and varied requirements for improving the food import program under FSMA. Based on discussions with the industry FDA is also proposing a cap on the total fees to be paid by the largest volume the importers of record, as well as exemptions from fees for the very small by volume importers as well as those importing for research and personal use.

Customer(s) who would pay: The fee would be the responsibility of the "Importer of Record" for the import line being imported.

Estimated number of fee paying applicants: FDA estimates that approximately 5,000 importers of record would meet the requirements mentioned above, for paying fees.

Estimated fiscal year 2014 spending on current FDA-related activity: Given the crosscutting nature of these activities, it is difficult to estimate the FY 2014 spending.

Programs or activities that the fee will support, including FTE, by center and field
The planned allocation of the proposed import user fee revenues in FY 2015 would be $14 million for the Center for Food Safety and Applied Nutrition (CFSAN) and $123 million for CFSAN related field activities and $1.5 million for the Center for Veterinary Medicine (CVM), and $14 million for CVM related field activities. The fee would also provide $9.5 million for program support activities and $7 million for rent activities.

These resources would be devoted to improving the import program at FDA, including activities such as establishment of a help desk to assist importers; expanded outreach and education efforts for importers; design, development, and implementation of the Foreign Supplier Verification Program; improvement of the overall quality management of the FDA import program; expansion of staffing at critical ports of entry and hours of operations in order to facilitate the entry of safe foods into the U.S.; and increased use of handheld and screening methodologies.

Number of meetings held with affected industry prior to the fee being proposed: The import fee proposal is a result of earlier industry discussions on a registration fee. Since a registration fee was included in the President's FY 2013 Budget Request, FDA began engaging with the food and feed industries to determine the level of support for a facility registration fee to help with funding implementation of FSMA, a statute fully supported by the food industry. During these early discussions, the industry suggested that we consider an import fee. From July 2012 to April 2013, FDA participated in 25 meetings with a broad cross section of the food and feed industry regarding their thoughts and ideas for implementing the FSMA food safety program in a way that meets their commercial needs while remaining primarily focused on the core principle of food safety for FDA and the American consumer. Finally, we discussed alternative ways to resource these new programs and services. The more frequent discussions focused on the import fee but there were also discussions regarding the proposed registration fee.

Estimated collections: $169 million in FY 2015 if legislation is passed.

Cosmetic User Fee

Proposed legislative language: FDA does not have proposed authorizing language for this user fee at this time.

Way in which proposed fee amounts were derived: The user fee request represents the level of resources required for the FDA Cosmetics Safety Program to establish and maintain a Cosmetic Registration Program (MCRP) that will require all domestic and foreign cosmetic labelers marketing products in the U.S. to register their establishments and products with FDA. A fee structure would be developed through negotiations with industry.

Customer(s) who would pay: The customers are the producers of finished cosmetic products.

Estimated number of fee paying applicants: The estimated number of fee paying applicants is unknown. As of 2014, more than 1,800 cosmetic establishments had registered voluntarily with FDA, covering over 48,000 finished products. However, these numbers represent only a fraction of the number of cosmetic establishments and products on the market. FDA has seen a dramatic increase in the number and type of cosmetic products sold annually.

Estimated fiscal year 2014 spending on current FDA-related activity: The estimated fiscal year 2014 spending on current FDA-related activity is approximately $14.4 million and 60 FTE.

Programs/activities that the fee will support, including FTE, by center/field: FDA would conduct CFSAN and ORA activities with the new user fee resources. The fees provide $12.5 million and 42 FTE for CFSAN to establish and maintain a Mandatory Cosmetic Registration Program; acquire, analyze, and apply scientific data and information to set U.S. cosmetic standards; maintain a strong U.S. presence in international standard-setting efforts; and provide education, outreach, and training to industry and consumers. The fees provide $4.5 million and 18 FTE for ORA to refine inspection and sampling of imported products and apply risk-based approaches to post-market monitoring of domestic and imported products, inspection, and other enforcement activities. The fee also includes $1 million and 3 FTE for program support activities and $1.4 million for rent activities.

Number of meetings held with affected industry prior to the fee being proposed: FDA has engaged in discussions with regulated industry, starting in summer of 2011.

Estimated collections: $19 million in FY 2015 if legislation is passed.

Food Contact Substance Notification (FCN) Fee

Proposed legislative language: FDA does not have proposed authorizing language for this user fee at this time.

Way in which proposed fee amounts were derived: Manufacturers/suppliers wishing to market new packaging not already authorized by FDA regulations or prior sanction utilize the Food Contact Substance Notification (FCN) program, in which the safety of the new packaging is reviewed. The user fee request is based on average yearly FCN filings and the level of resources required to administer the FCN process in addition to base budget authority resources. A fee structure would be developed through negotiations with industry, to potentially include fees for reviews of each FCN and an annual maintenance fee for listing each authorization in FDA's Inventory of Effective Food Contact Substance Notifications, which appears on FDA's website.

Customer(s) who would pay: The customers are the food contact product industry (including those food manufacturers, distributors, and marketers) who make FCN filings.

Estimated number of fee paying applicants: As of September 2014, there were nearly 1,400 effective FCNs. That number is expected to grow each year as more food contact substances are added to the agency's inventory. Each year, there is an average of 94 new FCN filings, with 73 becoming effective.

Estimated fiscal year 2014 spending on current FDA-related activity: The estimated fiscal year 2014 spending on current FDA-related activity is approximately $6.7 million and 16 FTE.

Programs/activities that the fee will support, including FTE, by center/field: The programs/activities that the fee would support are $4.6 million and 7 FTE for CFSAN to support the statutory 120-day review period for food contact notifications; update standards and provide guidance for industry; conduct education, outreach, and training; and participate in international harmonization and standard setting for food contact substances. The fee also includes $0.3 million and 1 FTE for program support and $0.2 million for rent activities.

Number of meetings held with affected industry prior to the fee being proposed: FDA has not recently met with industry to discuss this fee.

Estimated collections: $5.1 million in FY 2015 if legislation is passed.

Proposed Response for International Courier Fee

Proposed legislative language: FDA does not have proposed authorizing language for this user fee at this time.

Way in which proposed fee amounts were derived: FDA is basing this fee on historical data on entry volumes of FDA-regulated products by express international courier hubs.

Customer(s) who would pay: The customers who would pay are the international courier facilities that import FDA-regulated food products into the U.S. The fees would be assessed and resources would be allocated based on historical entry volumes by courier.

Estimated number of fee paying applicants: The customers are several large international express courier facilities offering international service with next-day delivery, who import FDA-regulated products into the U.S. and have requested that FDA increase staffing to help meet industry needs. FDA is still collecting information and does not have an estimated number of fee paying applicants to provide at this time.

Estimated fiscal year 2014 spending on current FDA-related activity: The estimated fiscal year 2014 spending on current FDA-related activity is $5.5 million for staffing after hours and on weekends.

Programs/activities that the fee will support, including FTE, by center/field: The programs and activities that the fee would support are $5 million and 20 field Full Time Equivalent (FTE) to conduct entry reviews and physical examinations which include sample collections, and physical exams to determine product admissibility into the U.S., initiate compliance actions to prevent release of unsafe products into U.S. commerce, and establish import controls to prevent future unsafe products from entering U.S. commerce. The fee would also support $0.3 million and 1 FTE for FDA Headquarters indirect and support costs and $0.5 million for GSA Rent and Rent Related costs. Approximately 20 percent, or $1.2 million, of this proposed fee will support imported food safety.

Number of meetings held with affected industry prior to the fee being proposed: FDA has engaged in discussions with regulated industry, starting in 2007.

Estimated collections: $5.8 Million in FY 2015 if legislation is passed.

Menu Labeling

In April 2011, FDA published a proposed rule that was required as part of the Obamacare legislation. We are approaching three years since the comment period closed. In a November 2013 article in The Hill newspaper, you were quoted as saying how complex an issue this rule has been for FDA. We have heard from your stakeholders, large and small, that are deeply worried about the effect of this rule on their business. As you may know, thousands of small business owners have been operating with a great deal of uncertainty for these nearly three years. In 2010, OMB said this was one of the most onerous new regulations of that year, requiring 14.5 million hours of paperwork burden. On top of the time it will take to comply with this regulation, this will cost businesses thousands of dollars per location each year.

Chairman Aderholt: Given that FDA has had three years to figure this out, are you finally in a position to provide us final rules, or at the very least, a general timeframe for when the final rule will be made public?

Response: The final rule for menu labeling displayed in the federal register on November 25, 2014 and officially published on December 1, 2014.

Chairman Aderholt: Does FDA anticipate that they can build flexibility into this rule to give credit to those food industries such as pizza delivery that do 90 percent of their business outside of the food establishment and they offer plenty of personalized nutrition information on their websites?

Response: The statute requires that covered establishments provide calorie labeling for their standard menu items listed on menus and menu boards. The statute defines "menu" or "menu board" as the primary writing of the establishment from which a consumer makes an order selection. In the menu labeling rule, the agency explains that determining whether a writing is or is not part of the primary writing of the establishment from which a customer makes an order selection depends on a number of factors, including whether the writing lists the name of a standard menu item (or an image depicting the standard menu item) and the price of the standard menu item, and whether the writing can be used by a customer to make an order selection at the time the customer is viewing the writing. Thus, to the extent a writing of a covered establishment constitutes a menu or menu board, the covered establishment is required to declare calories for the standard menu items listed on such menu or menu board. We note that FDA is not requiring establishments to provide menus and menu boards if they do not already have them in their establishment.

Generic Drug Labeling

The Mayo Clinic released a study last year that showed nearly 70 percent of Americans are on at least one prescription drug, and more than half receive at least two prescriptions. Needless to

say, any major decisions by FDA as it relates to prescription drugs impacts a large majority of our constituents. So it came as a big surprise when FDA released a proposed rule in November 2013 which proposes to make significant policy changes to how drug manufacturers label their products.

If I understand this issue correctly, any approved drug manufacturer would be required to change their label to reflect adverse event reports for their product even before FDA approves of the labeling change. This process differs from the policy in place today that requires the brand name drug to take the lead on changing the drug label and the generics follow suit in a timely manner.

Chairman Aderholt: Can you confirm that this rule, if finalized in its currents form, would have the potential to allow multiple versions of safety warnings for the same products – both generic and innovator drugs – in the marketplace? If so, how would FDA prevent unnecessary confusion for both the patients and the healthcare providers?

Response: The proposed rule, if finalized in its present form, would likely reduce the variation between brand and generic drug labeling that currently takes place. Brand drug manufacturers currently are allowed to independently update product labeling with certain newly acquired safety information and promptly distribute the revised labeling by submitting a "changes being effected" or CBE supplement to FDA. While FDA is reviewing a brand drug manufacturer's CBE supplement, there is a difference between the brand and generic drug labeling. Once FDA approves a change to the brand drug labeling, the generic drug manufacturer must submit conforming labeling updates; however, there often is a delay.

Currently, more than 80 percent of drugs dispensed are generic and some brand drug manufacturers may discontinue marketing after generic drug entry. The proposed rule, if finalized, would allow generic drug manufacturers to use the same process as brand drug manufacturers to update labeling promptly to reflect certain types of newly acquired safety information. Generic drug manufacturers would also be required to provide notice of the proposed labeling change to the corresponding brand drug manufacturer. To enhance transparency of labeling changes under FDA review, FDA would create a web page and post all safety-related labeling changes proposed in CBE supplements. Individuals could subscribe to receive updates via e-mail. FDA would make an approval decision on proposed labeling changes for the generic drug and the corresponding brand drug at the same time, so that brand and generic drug products have the same FDA-approved labeling. The proposed rule would require other generic drug manufacturers to submit conforming labeling changes within a 30-day time frame after FDA approval of a change to the corresponding brand drug labeling.

Chairman Aderholt: If FDA allowed any drug manufacturer to change their label prior to an FDA approval, has FDA created an additional risk to patient and provider information if the label turns out to be wrong?

Response: The need to promptly communicate certain safety-related labeling changes based on newly acquired information is the basis for the "changes being effected" or CBE exception to the general requirement for FDA approval of labeling revised prior to distribution. FDA's strict criteria for CBE supplements are intended to help ensure that scientifically accurate information

appears in revised product labeling. The CBE supplement procedures are well-established – in 1965, FDA determined that, in the interest of patient safety, manufacturers should make certain safety-related labeling changes at the earliest possible time. Currently, if a generic drug manufacturer believes that newly acquired safety information should be added to labeling, it must provide supporting information to FDA, and FDA must determine whether labeling for both the brand and generic drugs should be revised, which results in a delay in updating generic drug labeling and getting new information to prescribers and patients. FDA's proposed revisions to its regulations, if finalized, would enable generic drug manufacturers to update product labeling promptly to reflect certain types of newly acquired safety information by submitting a CBE supplement – just as brand drug manufacturers currently can do.

Chairman Aderholt: What alternatives is FDA looking at to maintain consistency and predictability in the warning labels of prescription drugs?

Response: The proposed rule is intended to improve the communication of important drug safety information to healthcare professionals and patients. FDA has received a great deal of public input from various stakeholders during the comment period on the proposed rule regarding the best way to accomplish this important public health objective. FDA is carefully reviewing the comments that have been submitted to the public docket established for the proposed rule, including comments proposing alternative approaches for communicating newly acquired safety-related information in a multi-source environment. FDA will determine next steps based on our analysis of the comments.

Drug Compounding and Budget Request

FDA has stepped up its inspections of compounding pharmacies in the wake of the fungal meningitis outbreak and the Drug Quality & Safety Act. Your budget requests $25 million to be paid for by offsets to other areas of the budget -- $15 million reduction to White Oak Consolidation and $10 million in efficiencies in other parts of the medical products program.

Chairman Aderholt: How many compounding pharmacies did FDA inspect in FY 2014 and what would the Agency do differently than it is doing now with an increase in funding?

Response: During FY 2014, FDA conducted 92 inspections of compounding pharmacies and outsourcing facilities. With the requested funding increase of $25 million, FDA will enhance its oversight of drug compounding through increased inspections and enforcement, policy development, and state collaboration and coordination.

Chairman Aderholt: How many inspections does FDA believe it will need to inspect on a continuing basis, to add to FDA's workload of other inspections?

Response: If the $25 million request for FY 2015 is approved, FDA expects to conduct approximately 160 inspections of compounding firms. This includes approximately 110 inspections of pharmacies under section 503A of the Federal Food, Drug, and Cosmetic Act (FD&C Act) and approximately 50 inspections of outsourcing facilities under 503B of the FD&C Act. The 503A inspections will include follow-up inspections of compounding

pharmacies that were previously found to be in violation of the FD&C Act, surveillance inspections of firms seeking to qualify for the exemptions under section 503A of the FD&C Act, and for cause inspections, as needed. The 503B inspections will include those of newly registered outsourcing facilities, and follow-up inspections of outsourcing facilities that were inspected in FY 2014 and found to be in violation of the FD&C Act. FDA cannot predict exactly how many outsourcing facilities will register or what other compounding issues may arise that will require new inspection efforts going forward, and it will adjust its priorities as necessary to address risks to public health.

Chairman Aderholt: Has FDA expanded its workforce of inspectors to take on the added responsibility for compounding pharmacies to date and how does FDA prioritize inspections of compounding pharmacies versus the newly registered outsourcing facilities?

Response: To date, FDA has not received a permanent increase to its budget for the oversight of drug compounding. FDA cannot sustain its current level of effort without additional resources to hire staff to conduct compounding inspections. Although outsourcing facility fees will provide partial support for the program, the fees generated will depend on the number of outsourcing facilities that elect to register. Moreover, the Drug Quality and Security Act (DQSA) provides that fees collected can only be used for the oversight of outsourcing facilities. Therefore, the user fees collected cannot be used to oversee the thousands of compounding pharmacies that choose not to register as outsourcing facilities.

If the $25 million budget request for FY 2015 is approved, FDA will hire additional investigators and conduct additional compounding inspections. FDA intends to continue conducting for-cause inspections in response to adverse event reports, product quality complaints, and State requests. In addition, the FY 2015 Budget seeks additional resources to conduct additional proactive inspections of high-risk pharmacies, as well as additional follow-up inspections of pharmacies previously identified as needing to take corrective actions. In addition to direct inspection resources, these inspections will require significant staff support for case management. This includes drafting the inspection assignments, handling issues that arise during the inspections such as the need to obtain an administrative warrant to access records, assessing the inspection results, and bringing any necessary regulatory or enforcement actions. In FY 2013, FDA conducted 71 compounding inspections; in FY 2014, FDA conducted 92 compounding inspections; and in FY 2015, with the requested funding, FDA is planning to conduct approximately 160 compounding inspections. FDA will also use the requested funding for policy development and enhanced state collaboration and coordination.

With regard to how FDA prioritizes inspections, the DQSA requires that FDA inspect outsourcing facilities according to a risk-based schedule. FDA is prioritizing inspections of newly registered outsourcing facilities so that initial inspections will be conducted within approximately two months of initial registration, if the facility has not been inspected within the past few years. Consistent with the law, FDA is prioritizing the inspections of outsourcing facilities based upon the findings from the initial inspection and other factors including but not limited to: the compliance history of the outsourcing facility; the record, history, and nature of recalls linked to the outsourcing facility; and the inherent risk of the drugs compounded at the outsourcing facility. FDA also considers the inspection frequency and history of the outsourcing

facility, including whether the outsourcing facility has been inspected within the last 4 years; and whether the outsourcing facility has registered as an entity that intends to compound drugs in shortage. Beginning in FY2015, FDA will use a risk-based site selection tool that incorporates these factors to prioritize compounding facilities for inspection.

Center for Tobacco Products

The Center for Tobacco Products (CTP) is fully funded through user fees. In FY 2014, FDA is expected to collect $534 million and then another $566 million in FY 2015. Over the course of five years, the Center for Tobacco will have collected slightly over $2.5 billion.

Chairman Aderholt: What were the final collection figures for FY 2014?

Response: CTP collected $588,861,043 in FY 2014, $61 million more than anticipated. This abnormally high amount was caused by a major tobacco company submitting their fourth quarter payment on September 29, 2014 instead of the first week of October as they usually do.

Chairman Aderholt: At the beginning of Fiscal Year 2013, FDA's Center for Tobacco had an unobligated balance of $603 million. The Agency stated that the carryover balance (of $237 million) was intentional so that your total resources available to this Center in this fiscal year are $771 million. How is FDA spending these resources – majority in salaries and benefits; or grants to states; or some combination of the two?

Response: FDA spent 82 percent of FY 2014 CTP funding on contracts and grants, with similar expectations for FY 2015.

Chairman Aderholt: Besides the obvious link between the work of this organization and the various health risks of certain products, what can FDA point to as measurable results from this large investment of resources? How can FDA show that its work at CTP is having an effect on public health?

Response: FDA has made substantial progress toward establishing a comprehensive, effective, and sustainable framework for tobacco product regulation aimed at protecting the public, especially youth, from the harms of tobacco products, encouraging cessation among tobacco users, and preventing new users from starting to use tobacco products.

FDA has multiple public education activities to inform the public of the danger of tobacco products, most notably public education efforts designed to reach at-risk and vulnerable populations, particularly youth. The "Real Cost Campaign" targets at-risk teens who are most likely to begin, or have begun, experimenting with cigarettes. The objective is to make these at-risk youth hyperconscious of the health effects associated with every cigarette in order to reduce the number who experiment with tobacco use. FDA's goal is to reach a minimum of 90 percent of those youths at least 15 times per quarter. Data shows that FDA has exceeded that goal for the last two quarters.

FDA has also developed a rigorous, science based process to review substantial equivalence (SE) applications. FDA has established performance measures that include timeframes for SE and Exemption from SE reviews. FDA will monitor its progress and continue to refine the review process for new tobacco products. These steps have contributed to a decrease of SE review time, resulting in eliminating the earlier backlog of regular SE reports (reports that do not fit the criteria for provisional reports, e.g., SE reports that were submitted to FDA after March 22, 2011) awaiting scientific review. On March 24, 2014, FDA announced it no longer had a backlog of regular SE reports awaiting scientific review, and as of September 30, 2014, 45 percent of regular SE submissions were resolved by a final decision.

As of September 30, 2014, FDA awarded contracts for compliance check inspections at tobacco retail establishments to be conducted in 58 states, territories, and Tribal jurisdictions to help ensure retailer compliance. Compliance check inspections determine compliance with laws and regulations related to tobacco marketing, sales, and distribution of tobacco products at retail locations. FDA has completed over 346,000 compliance check inspections at tobacco retail establishments as of September 30, 2014.

FDA has also made significant advancements in developing an extensive framework for tobacco product regulation by publishing a series of guidance documents aimed at restricting youth access to cigarettes. Additionally, a framework for industry registration, product listing, and disclosure of ingredients and harmful and potentially harmful constituents in tobacco products and tobacco smoke has been established.

Additional activities include significant investments in science to broaden FDA's knowledge of tobacco products to inform the public and strengthen regulatory actions, as well as developing a robust compliance and enforcement program for tobacco manufacturers and retailers.

Chairman Aderholt: How is CTP ensuring that its activities are not duplicative of the Department of Health and Human Services efforts and/or other State efforts?

Response: Many agencies and offices in HHS, including FDA, are working together to address the significant public health concerns created by the use of tobacco products. FDA closely coordinates on tobacco initiatives with other federal entities such CDC, NIH and SAMHSA, as well as States and Territories, to reduce the potential for overlap and leverage expertise for greater efficiency. Outreach efforts differ amongst agencies which make it easier to not duplicate efforts. For example, FDA works with federal partners to monitor prevalence of tobacco use through the NIH/NCI sponsored Supplement to the Current Population Survey. Furthermore, FDA will continue its partnership with CDC on the National Youth Tobacco Survey to obtain annual, nationally representative data on tobacco use and key tobacco-related measures among youth. This survey will provide FDA with national annual tobacco use rates and help inform FDA's regulatory activities. FDA also has joint collaborative projects with the Environmental Health Laboratory at CDC on tobacco product-related questions which inform the authorities of both agencies. In addition, FDA works with the Tobacco Research Science Program at NIH to fund research grants to help provide data and scientific information on the health impact of tobacco product use and actions that can be taken to reduce the disease and death resulting from its use.

FDA also works collaboratively with CDC to ensure that our campaigns are complementary. The goal of FDA's first youth tobacco prevention campaign, "The Real Cost," targets at-risk youth aged 12-17. By contrast, the CDC's Tips campaign primarily focuses on helping adults quit smoking. Our combined education efforts present a significant opportunity to reduce the disease, death, and costs associated with tobacco use.

In addition, FDA monitors compliance with the comprehensive provisions in the Tobacco Control Act. We have implemented a robust retail inspection program that complements the efforts of other federal and state programs. FDA's authority goes beyond the current authority of other agencies to ensure businesses operating on the internet and those that manufacture, distribute, or market regulated tobacco products comply with the Tobacco Control Act. Lastly, FDA utilizes the Tobacco Control Act to take enforcement actions against retailers, manufacturers, and importers that do not comply.

Chinese Attempts to Block Foreign Inspections & Staffing Vacancies

The New York Times and Bloomberg published articles last month that exposed a very troubling development in the area of FDA's foreign inspection of food and drugs in China. According to the February 14th article in New York Times, "nearly all antibiotics, steroids, and many other lifesaving drugs are now made exclusively in China." Chinese exports have grown from 2.3 billion tons in 2003 to 4.1 billion tons in 2012. Despite this Committee's increases for funding for inspectors in China and an agreement negotiated between Vice President Biden and the Chinese government to allow 20 inspectors in China, most of those inspectors are still here in the United States.

Chairman Aderholt: To date, how many FDA inspectors are currently working in China on food and drug inspections, how many are awaiting clearance from the Chinese government, and when does FDA expect those inspectors to be working full time in China? What is the anticipated staffing level for these activities in FY 2015 versus staffing levels at the end of FY 2014?

Response: FDA's China Office had 20 investigators conducting inspections in China during FY 2014. These investigators included both permanent FTEs and those serving on short-term (60, 90, or 120-day) assignments to the China Office.

Following the December 2013 visit of Vice President Biden to China, the United States and China agreed to negotiate two Implementing Arrangements (IAs) to frame the work of regulatory personnel posted in one another's country. In November and December 2014, two IAs were signed by FDA and its Chinese counterparts, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and China's Food and Drug Administration (CFDA). The two IAs outline commitments from FDA and AQSIQ regarding inspections of food facilities, and commitments from FDA and CFDA regarding inspections of drug facilities.

With the IAs signed, FDA expects to receive visas for the additional staff already hired in the following weeks and months. Nine Americans are currently prepared to deploy when their visas are approved. These nine include three medical products/drug investigators, five foods investigators, and a foods policy analyst.

Looking into the future, FDA may have 25 U.S. civil servants, as well as seven Chinese staff in FDA's China Office in Beijing, China. With the increase of investigators in-country, the number of inspections in China is expected to increase.

While the Agency prepares for the hiring and deployment of these additional investigators, FDA continues to use its existing in-country staff and investigators who come for short-term assignments from the United States to ensure the safety of FDA-regulated products exported to the United States from China. Since the opening of its China Office in 2008, FDA has dramatically increased the number of Chinese firms it inspects each year.

Chairman Aderholt: What reasons has China offered for the delay?

Response: Beginning in February 2012, FDA began discussing with Chinese counterparts its desire to triple staff in China, and the importance that the Administration placed on this initiative. We began to see delays in the issuance of visas for new staff beginning in October 2012. FDA was concerned about the delays, and expended significant efforts to make clear to senior leadership in the Chinese Government the importance of this issue. In December 2013, FDA worked with U.S. Government colleagues and with the Chinese Government on an accord to expand FDA's staffing in China. The United States and China also agreed to negotiate two umbrella agreements— one with China's Food and Drug Administration (CFDA) and another with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) — to frame the work of these personnel. The United States and China also agreed to negotiate two Implementing Arrangements (IAs) — one with CFDA and another with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) —to frame the work of regulatory personnel posted in one another's country. In November and December 2014, the FDA signed Implementing Arrangements (IAs) with China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and CFDA, outlining commitments from FDA and AQSIQ regarding inspections of food facilities, and commitments from FDA and CFDA regarding inspections of drug facilities.. With the IAs signed, FDA expects to receive visas for the additional staff in the following weeks and months.

Chairman Aderholt: Does China currently conduct any food, drug, medical device, biologics inspections in the United States?

Response: China has conducted food inspections in the United States related to their new registration requirements for imported foods. China has also conducted several pharmaceutical inspections in the United States, but no medical device or biologics inspections as far as we are aware.

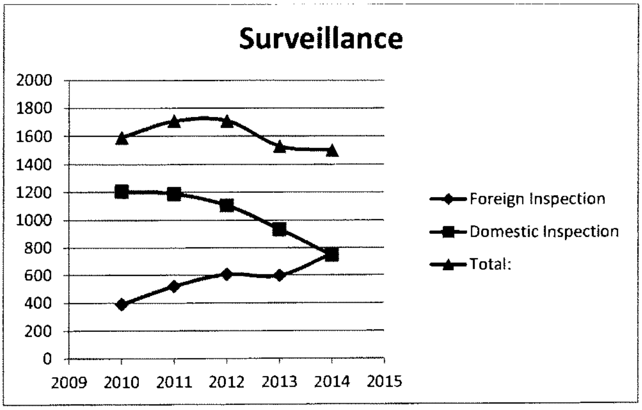
Risk of Drug Products and Regulatory Approach

Chairman Aderholt: Please discuss how moving to a risk-based process for selecting both domestic and foreign drug manufacturers for inspection has affected the frequency with which such manufacturers are inspected, to date. The Food Drug and Administration Safety and Innovation Act (FDASIA) provided FDA with the authority to ensure that foreign and domestic

firms are held to consistent high-quality standards. Prior to FDASIA, FDA had the authority to inspect domestic firms on a regular basis, but no such requirement existed for foreign firms.

Response: As part of the Generic Drug User Fee Amendments of 2012 (GDUFA) included in FDASIA, FDA committed to apply the same risk-adjusted standard for the frequency of inspections to both foreign and domestic generic pharmaceutical facilities by 2017. The Agency is well on its way to meeting its commitment to achieve risk-adjusted parity of current good manufacturing practice surveillance inspections on a biennial basis.

The 2014 surveillance data and trends are as follows:



As the data above shows, there has been a convergence of domestic and foreign inspection coverage, based on risk-adjusted frequency parity under GDUFA. FDA is taking further steps to schedule and conduct both domestic and foreign inspections according to identical risk factors. We are employing an annual site selection surveillance inspection risk model, consistent with FDASIA's requirements, which will not distinguish – for purposes of risk ranking – between foreign and domestic facilities. This model will drive inspection performance goals and inspection planning and achieve FDA's commitment to risk-adjusted parity.

Chairman Aderholt: Last month the Commissioner noted in her blog that FDA has recently identified significant lapses in quality by a variety of drug companies—both in the United States and overseas. She stated that FDA plans to increase its focus on drug quality and one step will be through the creation of a new Office of Pharmaceutical Quality, which will take a "lifecycle" approach to drug regulation. Please comment on how FDA envisions this office will improve its oversight of drug quality throughout the lifecycle of a pharmaceutical product.

Response: The newly created Office of Pharmaceutical Quality (OPQ) will combine review of marketing applications with the evaluation of manufacturing facilities, leading to a single, more informed quality assessment. Review of all new original marketing applications will follow a team-based approach, in which experts in each area of drug development and manufacturing

work closely with field investigators who inspect the manufacturing facilities to share information and discuss concerns, leading to an improved assessment of drug quality at the time of product approval. Subsequently, OPQ's Office of Lifecycle Drug Products will evaluate post-approval changes to innovator (brand name) drugs, as well as new Abbreviated New Drug Applications for generic drugs, which means that knowledge gained from review of the innovator product can be appropriately applied to the review of the generic. In addition, OPQ staff will use improved review templates that document the potential risks to quality identified for a new drug and how those risks were adequately mitigated so that reviewers of post-approval changes to that drug, or generic versions of that drug, will have an improved understanding of which aspects of the drug and how it is made are most critical to ensuring quality. OPQ will also focus on integrating knowledge about each manufacturing facility from multiple sources – prior inspections, recalls, Field Alert Reports, adverse event reports, problems reported at similar facilities or for similar products – to improve FDA's ability to schedule inspections on an ongoing basis based on the best information possible regarding potential risks to the quality of the drugs made at that facility.

For more information on the new Office of Pharmaceutical Quality, please see the letter to your office dated February 26, 2015.

Safety of Biotechnology/Genetically Modified Organisms

There is much debate about the need to mandate labeling for those foods with genetically modified ingredients. FDA has made science based statements in the past that clearly indicate no difference in the safety of conventional versus genetically modified foods.

Chairman Aderholt: Can you provide the Committee with FDA's current stance on GMO labeling?

Response: In a 1992 policy statement on foods derived from new plant varieties (including genetically engineered plant varieties), FDA announced that the Agency was not aware of any information showing that foods derived by these methods (i.e., genetic engineering) differ from other foods in any meaningful or uniform way, or that, as a class, foods developed by the new techniques present any different or greater safety concern than foods developed by traditional plant breeding. This 1992 statement and its scientific underpinnings still reflect FDA's current thinking about foods derived from GE plants. However, FDA notes that the Agency has received two citizen petitions regarding the labeling of genetically engineered foods and is currently reviewing those petitions and considering the issues presented.

Chairman Aderholt: Does FDA still believe that GMO foods are as safe to consume as conventionally grown or organic foods?

Response: FDA is confident that food from genetically-engineered plants that have completed our consultation program are as safe as their conventional counterparts. FDA has in place a voluntary premarket consultation process that provides for a rigorous food safety evaluation prior to marketing. Developers of GE plants intended for food-use routinely complete consultations with FDA prior to marketing. Based on evaluations conducted as part of the consultation

process, FDA believes that the foods that have been the subject of completed consultations are as safe as comparable foods. FDA notes that the safety of pesticides, including those genetically engineered into food crops, is regulated primarily by EPA. EPA reviews the safety of pesticides and sets tolerances (or establishes exemptions from the requirement of a tolerance) for pesticides.

FDA's Sentinel Initiative

Chairman Aderholt: Please provide a three year history on FDA's expenditures for the Sentinel Initiative?

Response: FY 2012: $29,392,808

FY 2013: $20,171,243

FY 2014: $43,753,933(includes funding for the new Sentinel contract)

Chairman Aderholt: Who has FDA partnered with as part of the Sentinel Initiative?

Response: FDA is collaborating with institutions that provide access to healthcare data and scientific, technical, methodological, and organizational expertise. A partial list of current partners include Aetna, Humana, Kaiser Permanente, OptumInsight Inc., Harvard Pilgrim Healthcare, Columbia University, Duke Clinical Research Institute, University of Alabama at Birmingham, and Vanderbilt University Medical Center. A complete list can be found at: http://www.minisentinel.org/about_us/collaborators.aspx.

Federal partners include the Centers for Medicare & Medicaid Services and the Departments of Defense and Veterans Affairs.

In addition, FDA has partnered with the Brookings Institution to convene an annual public workshop and round table discussions.

Chairman Aderholt: What does FDA plan to spend on the Sentinel Initiative in FY 2015?

Response: $14,072,000 (based on the President's FY 2015 Budget)

QUESTIONS SUBMITTED BY CHAIRMAN HAROLD ROGERS

Food Safety and Modernization Act: Spent Grains

The FY 2015 FDA budget request includes an additional $24 million for its food safety mission. Regarding the Food Safety Modernization Act, the Committee encourages FDA to make a conscientious effort to eliminate any unnecessary and duplicative regulations on low to no-risk foods which Congress expressly excluded when this act was passed.

"Spent grains" that remain at the conclusion of the distillery process are used by local farmers as animal feed. This mutually beneficial relationship between distillers and farmers has existed for decades: distillers avoid the cost of transporting the spent grains to a landfill, and farmers save on animal food costs. Despite the fact that the Deputy Administrator has asserted that "the goal [of the FSMA] is to achieve the food safety goal without imposing regulations, just for regulation's sake," the FDA has signaled that wine, beer and distilled spirits producers should dry, package and analyze spent grains, before the product is provided o a local farmer.

Mr. Rogers: What are FDA's chief concerns with low risk by-products like spent grains?

Response: You express concerns that we have also heard from many in the brewing community regarding the potential impact of the proposed rule on the long-standing practice of beer brewers providing the "spent grains," resulting from the brewing process, to farmers to use as animal food. As we previously announced in December 2013, this summer, we plan to issue revised proposals for comment on several key FSMA issues, which will include language addressing brewers' spent grains used as animal food.

Breweries making products for human consumption are already subject to human food Current Good Manufacturing Practices regulations. FDA's current understanding is that the potential hazards associated with spent grains from brewers and distillers of human beverages are minimal, provided the food manufacturer takes common-sense steps, such as minimizing the possibility of physical or chemical hazards being inadvertently introduced into a container of spent grains. In addition, we recognize that there are substantial efficiency and sustainability benefits from the recycling of human food by-products—such as spent grains—to animal food, and it is not our intention to disrupt this practice.

Please be assured that we are working to develop regulations that are responsive to the concerns expressed, practical for businesses, and that also help ensure that food for animals is safe and will not cause injury to animals or humans. We hope to continue our active dialogue with stakeholders, including the brewing community, about how we can achieve our food safety goals in the most practical way.

Mr. Rogers: Is the FDA aware of any human risk that has been associated with spent grains?

Response: FDA is unaware of contamination events resulting specifically from spent grains relating to the brewing industry, and for that reason believes that additional steps to prevent contamination would be relatively minimal, and in many cases, may already be in place. The goal of the current good manufacturing practice and preventive controls proposed regulations under the FDA Food Safety Modernization Act is to help food and feed producers protect against contamination of and significantly reduce or prevent hazards related to their products. FDA has had incidents in which human food by-product for animal feed has become contaminated with chemical or physical hazards. For example, an incident where industrial waste oil was inadvertently added to a poorly labeled container holding fryer oil resulted in over 100,000 chickens being exposed to the industrial chemicals polychlorinated biphenyls (PCB).

Mr. Rogers: By extension, has it not been concluded that food characterized as safe for human consumption should also be safe for animal consumption?

Response: There are numerous examples of food that is safe for humans and unsafe for animals. Two classic examples are chocolate causing serious illness in dogs, and the sugar substitute xylitol, which is widely used in a variety human food and dental products, causing death in some animals.

Mr. Rogers: Please address the registration requirements for distilleries. These companies have been exempted from the FSMA, but by producing this by-product, will they now be required to register?

Response: Distilleries producing spent grains that are engaged in the manufacture of human food for consumption in the United States would already be required to register under Section 415 of the Federal Food, Drug, and Cosmetics Act (FFDCA). Distilleries are currently subject to the human food current good manufacturing practice (cGMP) regulations found in 21 CFR part 110. The agency proposed in its proposed rule for human food (78 FR 3646) that Section 116 of FSMA would exempt distilleries from Section 418 of the FFDCA (Hazard Analysis and Risk-Based Preventive Controls) with regard to certain alcoholic beverages and further proposed in the proposed animal food rule that this exemption would not apply to spent grains resulting from human beverage brewing and distilling for use as animal food.

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

Special Protocol Assessment (SPA)

It is my understanding that the FDA is only permitted to rescind a SPA agreement if it identifies a substantial scientific issue that is essential and directly related to determining the safety and efficacy of the drug that has been identified after the testing has begun that raises a public health concern.

1. What type of scientific evidence would be so substantial as to cause FDA to rescind a SPA for a drug that was otherwise safe and which had met all its endpoints?

Response: Please see the response to question 3.

2. Where safety is not an issue, do you agree that statutory or regulatory guidance does not permit FDA to rescind a SPA based on scientific evidence available at the time the SPA agreement was entered into (or amended)?

Response: Please see the response to question 3.

3. Does the FDA agree that, as a matter of public policy, it should be accountable for continued diligence in identifying issues that bear on the continued enforceability of a SPA agreement and

in notifying the sponsor of such issues with a reasonable period of time after the FDA becomes aware?

Response: The Agency recognizes that the written agreements reached as part of the special protocol assessment (SPA) process are important to the drug development process, and written agreements for qualifying protocols are based on the best scientific information available at the time of the agreement. Newly available scientific knowledge in the form of data or other information, or a reevaluation or improved understanding of relevant scientific knowledge, may, however, challenge or cause the scientific community and the Agency to question or reject previously held assumptions or beliefs supporting an earlier decision and agreement on an SPA.

The Federal Food, Drug, and Cosmetic Act (FD&C Act) permits an SPA agreement to be rescinded if "a substantial scientific issue essential to determining the safety or effectiveness of the drug has been identified after the [clinical trial] has begun."[1] Per FDA's 2002 guidance, this determination may include, for example, the identification of data that would call into question the clinical relevance of previously agreed-upon efficacy endpoints, the identification of safety concerns related to the drug or its pharmacological class, or paradigm shifts in disease diagnosis or management recognized by the scientific community and the Agency.

FDA takes SPA agreements seriously and has rarely rescinded an SPA agreement. Since FDAMA was enacted in 1997, CDER has issued over 1,000 SPA agreements; fewer than 1% have been rescinded. To monitor its own compliance with the statute, FDA recently reviewed the small number of rescinded SPA agreements and determined that each met the statutory criteria for rescission.

As part of FDA's routine, proactive review of guidance documents, we previously determined that the final SPA guidance should be revised and updated. FDA began revisions to the 2002 guidance in late 2012. The revisions include clarifying which protocols are eligible for SPA, describing the contents of a SPA request, and including a new section about rescission criteria and procedures. The revised guidance is anticipated to publish by the end of CY 2015.
As stated in the 2002 guidance, FDA may rescind an SPA agreement under the following conditions (no changes to these conditions are anticipated in the revised SPA guidance currently under development):

- Failure of a sponsor to follow a protocol that was agreed upon with FDA.
- The relevant data, assumptions, or information provided by the sponsor in an SPA submission are found to be false statements or misstatements, or are found to omit relevant facts.
- The division director determines that a substantial scientific issue essential to determining the safety or efficacy of the drug or biologic has been identified after the study or trial has begun (section 505(b)(5)(C) of the FD&C Act).

[1] 21 USC 355(b)(5)(C)(ii)

While SPA rescissions are rare, FDA believes its authority to rescind SPA agreements is an important part of its mandate to protect the safety of clinical trial participants and public health. Participation in a clinical trial where the clinical endpoints are no longer relevant, for example, poses a safety risk to participants taking a new drug. Rescission decisions are made only after careful review, by appropriate Agency staff, in order to determine that the statutory criteria are met, including if the rescission will be based on a determination that there are substantial scientific issues identified after clinical trials have begun that are essential to determining the safety or effectiveness of the drug. The rare occurrence of a rescission indicates the importance and care with which FDA undertakes this task. The Agency may also choose to seek advice from a panel of qualified experts through the established scientific Advisory Committee process.

The Agency makes every effort throughout the drug development process to communicate as promptly as possible to sponsors any concerns regarding relevant new information that may affect FDA's thinking regarding an SPA agreement. FDA is committed to keeping current with scientific and medical innovation, and will continue, to the best of its ability, to communicate important changes in science that affect regulatory aspects of product development to sponsors in the course of formal meetings and responses to submissions as soon as practicable. Drug sponsors should also actively monitor evolving scientific information over the course of a development program and consult with FDA regarding the impact of new information on their SPA agreement. Such consultations occur frequently under existing procedures and often lead to mutually agreed-upon modifications to a previously agreed-upon SPA.

Biologics Price Competition and Innovation Act

The Biologics Price Competition and Innovation Act (BPCIA) was enacted almost four years ago as part of the Affordable Care Act. It is my understanding that the FDA has issued four draft guidance documents and no regulations. Given the uncertainty surrounding the implementation of BPCIA, I believe that FDA should engage in an inclusive, transparent process, such as the use of guidance documents and regulations. This would allow patients, providers, biologics manufacturers, policy makers, and other stakeholders to participate in the implementation process.

4. Please provide the committee with a full and complete reporting on the status of the BPCIA regulations, including a description of resources expended to develop the guidance as well as a listing of any non-government parties the FDA has met with regarding this proposal.

Response: FDA continues to develop rigorous scientific standards to ensure that all biosimilar and interchangeable products licensed under the pathway established by the BPCI Act will be safe and effective. As of March 2014, FDA had held two public hearings and issued four draft guidances intended to clarify expectations and provide predictability to sponsors initiating biosimilar development programs.

A November 2010 public hearing provided a forum for interested stakeholders to provide input regarding the Agency's implementation of the BPCI Act. FDA considered the presentations and public comments submitted to the docket in developing the following draft guidances issued in February 2012:

- Scientific Considerations in Demonstrating Biosimilarity to a Reference Product
- Quality Considerations in Demonstrating Biosimilarity to a Reference Protein Product
- Biosimilars: Questions and Answers Regarding Implementation of the Biologics Price Competition and Innovation Act of 2009

FDA held a second public hearing in May 2012 to receive input on these draft guidances and to obtain public input regarding the Agency's priorities for development of future policies regarding biosimilars. FDA has opened several dockets for public comments on issues related to proposed biosimilar products and interchangeable products, and is carefully considering the comments submitted to these public dockets. FDA will take into consideration all comments received as we move forward in finalizing these guidance documents and developing future policies regarding biosimilar products and interchangeable products.

To develop the draft guidance documents to support BPCI Act implementation, FDA has utilized resources from across the Agency including, but not limited to, scientific review experts, project managers, policy analysts, and regulatory counsel.

FDA is carefully reviewing and considering the comments submitted to the docket for FDA's draft biosimilar guidance documents and the November 2010 and May 2012 public hearing dockets. We will take into consideration all received comments as we move forward in finalizing the guidance documents and developing future policies regarding biosimilar products and interchangeable products.

As of March 2014, draft guidances under development included:

- Biosimilars: Additional Questions and Answers Regarding Implementation of the BPCI Act of 2009
- Clinical Pharmacology Data to Support a Demonstration of Biosimilarity to a Reference Product
- Considerations in Demonstrating Interchangeability to a Reference Product
- Labeling for Biosimilar Biological Products
- Reference Product Exclusivity for Biological Products Filed under 351(a) of the PHS Act

The public had the opportunity to comment on this list and on any draft guidances that FDA published.

FDA continues to actively engage with sponsors regarding biosimilar development. This includes holding development-phase meetings and providing written advice for ongoing development programs. FDA has seen a high level of interest in the biosimilars program.

As of March 26, 2014, the Center for Drug Evaluation and Reseach (CDER) had received 64 meeting requests for an initial meeting to discuss proposed biosimilar development programs for 13 different reference products and held 55 initial meetings with sponsors. As of this date, CDER had received 22 investigational new drug applications (INDs) for proposed biosimilar development programs, and additional development programs are proceeding outside of opening a pre-IND.

In addition, as of this date, FDA had accepted requests from a diverse range of stakeholders for meetings to listen to these groups' viewpoints on various issues regarding the BPCI Act. FDA has held more than 15 "listening meetings" with stakeholders, including industry and trade associations (e.g., Biotechnology Industry Organization, Generic Pharmaceutical Association,), advocacy groups (e.g., American Association of Retired Persons, Multiple Sclerosis Coalition), biological product manufacturers (e.g., Amgen, Boehringer Ingelheim, Momenta, Sandoz), and other organizations (e.g., United States Pharmacopeia, Express Scripts).

Clinical Trial Database

My district is home to a number of research organizations that conduct many Phase 1 clinical trials. It is my understanding that these studies are designed to determine basic safety information for experimental drugs that show promise for development as new treatments for patients with serious and chronic diseases. Each year, these facilities enroll thousands of healthy volunteers who make an essential contribution to the development of new medicines for the patients who need them.

Unfortunately, some volunteers enroll in more than one Phase 1 trial at a time, in violation of the conditions of participation in the research, and without reporting that they are doing so. While not widespread, this practice has the potential to be dangerous to research volunteers (due to toxicities and possible drug-drug interactions) and bad for the science of drug development, since it may confound the results of a trial.

Several companies offer a subscription-like database service to help prevent over-volunteering; however, the existence of multiple such services and companies by definition erodes the effectiveness of the system.

5. Is your agency aware of this problem of "over-volunteering", and do you know how widespread the problem is?

Response: FDA is aware that subjects may choose/try to participate in more than one clinical investigation (e.g., simultaneously) and is concerned by the practice. We do not know, however, the extent to which this occurs. FDA discourages this practice given the potential

increased risk to human subjects. FDA's draft guidance[2] on this issue to Institutional Review Boards (IRBs), clinical investigators and sponsors states: "FDA strongly discourages these practices as enrollment in more than one clinical investigation could increase risks to subjects, particularly because they may be exposed to more than one investigational product for which the safety profile may not be well understood. In addition, the subjects may find it difficult to understand all the risks and proposed benefits, much less meet the demands, of multiple protocols. Moreover, there may be potential drug or device interactions, and the simultaneous use of more than one investigational product may confound the results of the clinical investigations."

To help prevent multiple enrollments, sponsors generally include prohibitions related to the use of concomitant medications in the protocol or restrict (via exclusion criteria) inclusion of subjects who have participated in another clinical investigation within a specified period of time (for example, the washout period before a subject can enroll in a new clinical investigation). Prohibitions on concomitant medication would generally preclude participation in more than one clinical investigation at a time. Clinical investigators may also expressly inquire about multiple enrollments and discourage this practice in the consent form and during any informed consent discussions, especially for Phase 1 trials where risks may be relatively high.

6. Would it be advantageous to have a national registry of clinical trial participants, as is the case in France and the United Kingdom, or might we address the issue in some other way?

Response: Although there may be advantages to such a registry, there are some potentially significant hurdles to developing a national registry of clinical trial participants. Such hurdles would include, among others, logistical, patient privacy, and sponsor confidentiality issues. For example, in certain circumstances it might be acceptable for patients to enroll in both a device and drug study if the studies are for different indications and confounding effects are not a concern. Similarly, it might be reasonable for a patient to choose to enroll sequentially in more than one trial after the required wash-out period. A clinical trial participant registry would need to account for a variety of such circumstances. Patient privacy and confidentiality issues related to sharing identifiable information would need also to be addressed, as well as confidential commercial information for study sponsors. A registry would need to use measures to protect confidentiality of the data, such as encryption, secure storage, and restricted access to prevent unauthorized use.

Notwithstanding these described hurdles, we recognize that there may be utility for clinical trial sponsors in the development of a national registry of clinical trial participants. This issue appears to be of importance to sponsors, who are interested in taking steps to address the problem, particularly for Phase 1 trials. As noted in your question above, there are commercial efforts aimed at addressing the issue of subjects enrolling in multiple trials (e.g., Verifiedclinicaltrials.com).

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[2] See "Informed Consent Information Sheet - Guidance for IRBs, Clinical Investigators, and Sponsors" (Draft Guidance) July 15, 2014 (79 FR 41291) available at:
http://www.fda.gov/downloads/RegulatoryInformation/Guidances/UCM405006.pdf

As noted above, FDA has recently issued draft guidance in which we address this issue. By raising our concerns with study sponsors, researchers and IRBs, we hope to discourage this practice in FDA-regulated trials. In addition, in FDA's educational outreach activities, we often reiterate the Agency's concerns with this practice. and express support for the efforts of sponsors and clinical investigators to prevent it.

Prescription Drug User Fee Act (PDUFA) Financial Accountability

As you know, nearly $40 million dollars in PDUFA user fees were sequestered in FY 2013. Please describe the impact of the sequester on the PDUFA User Fee Program and FDA initiatives supported by PDUFA user fees, including regulatory science initiatives and the hiring of new staff. Specifically:

7. What challenges did FDA face as a result of the sequester?

Response: The sequestration in FY 2013 contributed to delays in hiring the additional staff called for under PDUFA V.

8. How did the Agency address these challenges?

Response: Once the funds were restored in FY 2014 the hiring proceeded, although our progress has been slow because the agency must compete with the compensation packages and the more efficient hiring process in the private sector. The specific expertise that FDA needs to fully meet its regulatory science initiatives is also the same expertise in demand by the regulated industry.

The FY 2014 omnibus appropriations package (the Consolidated Appropriations Act, 2014, P.L. 113-76) or the Act) restored to FDA the nearly $40 million dollars in PDUFA user fees which were sequestered in FY 2013.

9. Please provide a detailed financial summary for the restored FY 2013 PDUFA user fees, with emphasis on funds specifically for regulatory science initiatives outlined in the PDUFA V Goals Letter.

Response: FDA does not track expenditures at the level of detail requested. The PDUFA user fees that were sequestered and subsequently restored support the PDUFA activities specified in the PDUFA V Goals Letter and those activities carried out by the agency as defined in Section 735(6)(A-F) of the FD&C Act. Those activities include:

- All investigational new drug review activities, including amendments;
- All review activities for NDAs, BLAs, including supplements and amendments;
- Regulation and policy development activities related to the review of human drug applications;

- Development of product standards for products subject to review and evaluation;
- Meetings between FDA and the sponsor of a covered application or supplement;
- Review of labeling prior to approval of a covered application or supplement and the review of the initial pre-launch advertising;
- Review of post-marketing studies and clinical trials that have been agreed to by sponsors as a condition for approval;
- Inspections of facilities undertaken as part of the review of pending applications or supplements;
- Lot release activities for covered biological products;
- Assay development and validation to ensure batch-to-batch consistency and reliability for covered biological products;
- Monitoring of clinical and other research conducted in connection with the review of human drug applications;
- User Fee Act implementation activities;
- Research related to the human drug review process; and
- Postmarket safety activities with respect to drugs approved under human drug applications or supplements, including the following activities: collecting, developing, and reviewing safety information on approved drugs, including adverse event reports; developing and using improved adverse event data-collection systems, including information technology systems; developing and using improved analytical tools to assess potential safety problems, including access to external databases; implementing and enforcing section 505(o) (relating to post-approval studies and clinical trials and labeling changes) and section 505(p) (relating to risk evaluation and mitigation strategies); and carrying out section 505(k)(5) (relating to adverse event reports and postmarket safety activities).

Additional relevant information is also provided in our response to Question 10.

10. Please identify monies spent to date and a detailed plan for the allocation of the remaining funds.

Response: FDA plans to hire the full time equivalents (FTEs) that are required to handle overall PDUFA workload and enable the Agency to meet its performance goals. The Agency does not plan its spending to a specific activity (e.g., a regulatory science initiative) beyond what was agreed to with the regulated industry during PDUFA reauthorization discussions. Per the PDUFA V Goals Letter, FDA is required to report on the hiring and placement of new PDUFA V staff and the agency's progress on meeting the commitments outlined in the Goals Letter.

This reporting occurs annually in the PDUFA Performance Report. The table showing the hiring and placement of new staff by PDUFA V enhancement is excerpted from the most recent performance report and shown below.

Office	Allocated FTEs	Hired
Enhanced Communication		
CDER/Office of New Drugs	6	4
CBER	1	0
Methods for Meta-analysis		
CDER/Office of New Drugs	4	0
CDER/Office of Translational Sciences	4	1
CBER	2	0
Biomarkers and Pharmacogenomics		
CDER/Office of New Drugs	3	2
CDER/Office of Translational Sciences	10	2
CBER	2	2
Use of Patient-Reported Outcomes		
CDER/Office of New Drugs	10	0
CDER/Office of Translational Sciences	5	0
CBER	2	1
Development of Drugs for Rare Disease		
CDER/Office of New Drugs	5	5
CBER	1	1
Benefit-Risk and Patient-Focused Drug Development		
CDER/Office of New Drugs	4	1
CDER/Office of Strategic Programs	7	3
OC/Office of Health and Constituent Affairs	1	0
CBER	2	0
Standardize and Integrate REMS into the Health Care System		

Office	Allocated FTEs	Hired
CDER/Office of New Drugs	3	3
CDER/Office of Surveillance and Epidemiology	5	4
CDER/Office of Regulatory Policy	2	1
CDER/Office of the Center Director	1	0
Electronic Submissions and Data Standards		
CDER/Office of Translational Sciences	2	2
CDER/Office of Strategic Programs	8	1
Review Program Data and Systems Upgrades		
CDER/Office of Strategic Programs	3	1
PDUFA V Total Direct FTEs	**93**	**34**
PDUFA V Indirect FTEs Allocations		
CDER	20	8
CBER	4	2
OC	12	0
TOTAL PDUFA V FTEs	**129**	**44**

FDA has previously stated that during the 2013 government shutdown, PDUFA user fee carryover balances were used on "activities for which the fees are authorized under PDUFA".

11. What was the balance of the total carryover (or reserve) funds that FDA had on September 30, 2013 and the balance of the carryover (or reserve) funds available after the shutdown ended on October 17, 2013?

Response: The carryover balance on September 30, 2013, excluding advanced collections for FY 2014, was $240,162,879. Carryover is calculated at year end so a carryover balance as of October 17, 2013 is not available.

12. Please provide a detailed summary of the specific activities for which carryover (or reserve) funds were used during the shutdown, including the amount of carryover funds used on each activity.

Response: Please see response to question 9.

Food Safety Modernization Act (FSMA)

As the FDA works to implement FSMA, I would greatly appreciate it if you could answer the following questions:

Commodity crop regulation

13. Why did FDA choose to broadly regulate commodities that have not been associated with human foodborne illness?

Response: The law directed FDA to "establish science-based minimum standards for the safe production and harvesting of those types of fruits and vegetables… for which the Secretary has determined that such standards minimize the risk of serious adverse health consequences or death" (Federal Food, Drug, and Cosmetic Act (FD&C Act) § 419(a)(1)(A)). We specifically solicited comment on our approach in the proposed produce rule and will be considering those comments carefully as we move forward to finalize the rule. FDA initially considered covering only those produce commodities or commodity groups that had been associated with foodborne illness outbreaks. However, because only a small percentage of outbreaks are both reported and attributed to a specific food vehicle, outbreak data may not provide a complete picture of the commodities upon which we need to focus to minimize current and future risk of illness. The food vehicle responsible for an outbreak is not identified in about half of all outbreaks. Identifying the vehicle of an outbreak in which the vehicle is contained in a multi-ingredient food (e.g., salsa, salads) is particularly challenging. As our ability to detect outbreaks and to identify food vehicles responsible for an outbreak improves, it is likely that previously unrecognized outbreak vehicles will be identified. A further complication to the use of outbreak data as an indication of commodity risk is that, until a food is identified as a vehicle in an outbreak, public health officials may not be likely to include questions about that commodity when investigating an outbreak, making the attribution of outbreaks to commodities with no outbreak history more difficult.

In addition, as discussed in the draft Qualitative Assessment of Risk that the Agency issued along with the proposed rule, our data show that the patterns of outbreaks associated with produce commodities change over time. On the one hand, some commodities, such as tomatoes and leafy greens, have a continuing and repeated pattern of association with outbreaks, over multiple years. On the other hand, occasionally a produce commodity is associated with an outbreak that had not been previously linked to foodborne illness. For example, papayas had not been associated with outbreaks prior to an outbreak that occurred in 2011. Therefore, a regulatory approach that relied on a static list of commodities prepared solely from a history of outbreaks would not be able to prevent future outbreaks in commodities not previously associated with an outbreak.

FDA tentatively elected not to take a commodity-specific approach, in part, because we do not believe that the past history of outbreaks can be fully predictive of future outbreaks. We also reviewed the relative risk of different commodities using other data sources, such as commodity characteristics and pathogen surveillance data. Our analysis shows that each data source presents certain gaps that make it challenging to develop a commodity-specific approach that would adequately minimize the risk of serious adverse health consequences or death. [Please note that the only commodity-specific requirements proposed in this rule are those designated for sprouts, which have unique growing procedures (i.e., warm, moist nutrient-rich environment for an extended period of time that supports pathogen growth in addition to sprouting) and, therefore, present a unique risk profile. For this reason, we tentatively concluded that a specific set of safety standards for this produce commodity is warranted.] However, as we mentioned earlier, we have specifically solicited comment on this determination and on whether there are commodity-specific approaches that would adequately minimize the risk of serious adverse health consequences or death and whether such approaches would sufficiently move us toward the prevention-based food safety system envisioned by FSMA.

14. Did FDA consider the relative risks and comparative benefits associated with regulating individual commodities? How were those cost-benefit results different for leafy grains as compared to citrus?

Response: In developing the proposed produce safety rule, FDA did explore the option of excluding commodities not associated with any recorded outbreaks. However, we tentatively concluded that this was not the most appropriate option for the reasons discussed in our previous response. In the proposed produce safety rule, we tentatively concluded that an integrated approach that focuses on the likelihood of contamination of produce posed by the agricultural practices applied to the crop, while exempting the lowest-risk produce, would provide the most appropriate balance between public health protection, flexibility, and appropriate management of different levels of risk. We also tentatively concluded that we should use a regulatory framework based on practices, procedures, and processes associated with growing, harvesting, packing, and holding of all covered produce. We considered and rejected the option to develop a framework that (based solely on a history of outbreaks or illnesses associated with the commodity) would be applicable to individual commodities or classes of commodities. Procedures, processes and practices in each of the on-farm routes of contamination outlined in the proposed rule have the potential to introduce biological hazards into or onto any covered produce.

15. Will regulating all commodities cause FDA to inefficiently expend resources that could be focused on those commodities with a history of microbial contamination?

Response: Effective implementation and oversight of produce safety standards poses distinct challenges for FDA due to the scale and diversity of the produce sector, the large number of produce farms, and their lack of familiarity with FDA regulatory oversight. Moreover, Congress envisioned a different role for FDA on produce farms compared to food facilities, as reflected in the lack of an inspection frequency mandate in FSMA for farms, the directive to coordinate education and enforcement activities with state and local officials, and the mandate to USDA to provide technical assistance grants to support implementation, especially for entities such as small growers. Another reality shaping FDA's approach to produce safety is that there is no reasonable expectation FDA will have the resources to make routine on-farm inspection a major source of accountability for compliance with produce safety standards.

For this reason, FDA's implementation of produce safety standards will entail a broad, collaborative effort to foster awareness and compliance through guidance, education, and technical assistance, coupled with accountability for compliance from multiple public and private sources, including FDA and partner agencies, USDA audits, marketing agreements, and private audits required by commercial purchasers.

In keeping with this broad vision for FSMA implementation, FDA will focus its efforts on:

- *Deploying a cadre of produce safety experts in headquarters and the field* with the depth and breadth of capacity to develop the guidance needed to support implementation and provide technical support to government and industry parties working to foster compliance;
- *Actively supporting education and technical assistance for growers*, primarily through collaboration with other public and private parties;
- *Supporting public and private parties involved in audits and other accountability functions* with technical assistance and other collaborative support;
- *Conducting targeted on-farm surveys and inspections* to understand current practices and identify gaps in compliance;
- *Taking administrative compliance and enforcement action* when needed to correct problems that put consumers at risk;
- *Responding to produce outbreaks effectively* to lessen impact on public health; and
- *Conducting in-depth environmental assessments* where appropriate to identify root causes of outbreaks associated with produce and inform future prevention efforts.

16. What factors or standards did FDA use to establish its lists of "covered" and "exempt" produce? Will those lists be regularly reviewed? Can a commodity move from one list to another, and if so, how?

Response: As proposed, the produce rule covers food that meets the definition of produce and that is a raw agricultural commodity (RAC) as defined in section 201(r) of the FD&C Act. Section 201(r) defines "raw agricultural commodity" as any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing. Covered produce includes a produce RAC that is grown domestically and a

produce RAC that will be imported or offered for import in any State or territory of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

We proposed to specify in the definition of "produce" that the term would not include food grains. The hazards and controls relevant to minimizing serious adverse health consequences or death during the growing, harvesting, packing, and holding of grains are significantly different from those relevant to fruits and vegetables, and we tentatively concluded that it is reasonable to exclude grains from the definition of "produce."

The proposed rule also contains exemptions for certain specified produce commodities that are rarely consumed raw, produce that is used for personal or on-farm consumption or that is not a raw agricultural commodity, and produce that receives commercial processing that adequately reduces the presence of microorganisms (e.g. a ''kill step''). The first exemption listed is for those fruits and vegetables that are almost always consumed only after being cooked, which is a kill-step that is reasonably expected to adequately reduce the presence of microorganisms of public health significance. We also proposed to exempt produce that is produced by an individual for personal consumption, which is an exemption explicitly provided in the statute. We extended this exemption to produce produced for consumption on the farm or another farm under the same ownership since these are all activities within the farm definition, and we do not see a distinction between the farm and the individual in this circumstance. In addition, we proposed to allow covered produce which receives commercial processing that adequately reduces the presence of microorganisms of public health significance to be eligible for an exemption from the requirements of this part, as long as certain documentation is kept. We tentatively concluded that such commercial processing significantly minimizes the risk of serious adverse health consequences or death associated with biological hazards for such produce, such that the processed produce can be considered to be low risk and the imposition of the requirements in this proposed rule is not warranted.

We received comments on our proposed provisions related to coverage or exemption of various types of produce, including whether and how produce exempt as "rarely consumed raw" will be updated (and whether and how commodities may move into or out of this category). We recognize the importance of providing clarity on these issues, and we are currently considering these comments in developing the final rule.

17. It's puzzling that FDA listed kale as a commodity "never consumed raw." What data did FDA use to determine whether a commodity was rarely or never consumed raw?

Response: We developed the list of rarely consumed raw produce commodities by analyzing consumption data on selected produce commodities available primarily from the National Health and Nutrition Examination Survey/What We Eat in America (NHANES/WWEIA). We looked at the percentage of the population consuming the produce commodity in fresh form as well as the percentage of eating occasions on which the produce commodity is eaten uncooked. We

understand that the U.S. population's dietary consumption patterns can change over time such that produce not currently being consumed raw may be consumed raw (or consumed raw at an increased frequency) in the future or vice versa. The NHANES/WWEIA database used in the proposed rule includes data from 1996-2006 dietary surveys. As we finalize the rule, we will be considering ways to use current information and to keep information updated. Also, we anticipate that, in the case of some commodities, the consumption rates in the United States may be too low for the NHANES data and other data sources used in our analysis to support a conclusion that the commodity is rarely consumed raw using our proposed criteria. We are currently evaluating comments received on our proposed approach.

Fresh fruit regulations

18. Please describe how FDA intends to enforce its proposed produce safety standards on imports through the Foreign Supplier Verification Program.

Response: Under the Foreign Supplier Verification Program (FSVP) regulations, importers would be required to perform certain risk-based activities to verify that food imported into the United States has been produced in a manner that provides the same level of public health protection as that required of domestic food producers, including the standards for produce safety. Under the proposed FSVP rule, an importer would be required to develop, maintain, and follow an FSVP for each food it imports, which, in general, would need to include: (1) a hazard analysis, (2) evaluation of the food and foreign supplier risk, (3) supplier verification and related activities, (4) investigations and corrective actions, (4) importer identification at entry, and (5) maintaining certain records.

Importers would be required to conduct and document supplier verification activities, as appropriate, including: onsite audits of foreign supplier, sampling and testing of the food, review of the foreign supplier's relevant food safety records, or another appropriate activity, based on the risk associated with the food and the foreign supplier. When a hazard is being controlled by the foreign supplier and there is reason to believe that the hazard will cause serious injuries or deaths, a clear, rigorous verification standard would be required in the form of an annual on-site audit of the foreign supplier. Importers would be allowed to use a different approach (possibly including less frequent auditing) only if they can establish that it will provide adequate assurance that the hazard is controlled.

19. What percentage of resources for inspections and enforcement of the produce safety rule does FDA currently have budgeted for imports?

Response: None, the entire FY 15 Budget request focuses on the domestic implementation of FSMA, including for the produce safety rule.

FDA is creating a specialized cadre of produce safety experts, approximately 50 staff members, that will be located in small groups strategically through the United States and that will be responsible, in part, for performing domestic and international on-farm inspections and investigations of the highest risk operations. Oversight of importer FSVPs will likely include inspections, with some potentially conducted by the aforementioned specialized cadre of produce safety experts when warranted, and the collection of audit samples at the border using existing import staff.

Produce safety rule

20. What is FDA's timeline for publishing the four revised sections of the produce rule?

Response: The supplemental notice of proposed rulemaking was published on September 29, 2014; we intend to publish a final produce rule by October 31, 2015.

21. Does FDA intend to re-examine any other parts of the original draft rule?

Response: In drafting a final rule, FDA is carefully considering all comments received in response to the original 2013 produce safety proposal and to the 2014 produce safety supplemental notice of proposed rulemaking.

Five of the FSMA rules (produce safety, preventive controls for food and feed, Foreign Supplier Verification Program, and third-party audit certification)

22. Will FDA provide an opportunity for stakeholders to review all the rules and comment on the entirety of the package before publishing final rules in these five areas?

Response: The comment periods for the five rules are shown in the following table. All proposed rules were open for comment at the same time between October 29, 2013 and November 22, 2013, with the comment periods for all but the animal food rule being open between July 29, 2013 and November 22, 2013. In addition, four supplemental proposals were issued with a comment period from September 29 through December 15, 2014. This provided adequate time for stakeholders to consider the relationships between the various rules and provide comments.

	Produce Safety Standards	Preventive Controls for Human Food	Preventive Controls for Animal Food	Foreign Supplier Verification Program	3rd Party Accreditation
Publication of	January 16,	January 16,	October 29,	July 29, 2013	July 29, 2013

original proposed rule	2013	2013	2013		
Comment period closed	November 22, 2013*	November 22, 2013*	March 31, 2014**	Jan. 27, 2014**	Jan. 27, 2014**
Publication of a supplemental notice	September 29, 2014	September 29, 2014	September 29, 2014	September 29, 2014	N/A
Comment period closed	December 15, 2014	December 15, 2014	December 15, 2014	December 15, 2014	N/A

* After three extensions

** After one extension

Work with farmers and related stakeholder education

23. What percentage of FDA's budget for FSMA is devoted to education and outreach?

Response: For the FY 2015 Request, approximately 20% of the request will be used to support Education and Technical Assistance for Industry on the implementation of the new FSMA rules.

24. What training and guidance does FDA intend to provide to farmers?

Response: Combined with response #25.

25. What education programs is FDA developing and how does it intend to deliver them to growers? Has FDA consulted with USDA, specifically the National Institute for Food and Agriculture?

Response: Education and technical assistance is the foundation of our intended compliance strategy. As discussed in section II.D. of the preamble of the originally proposed produce safety rule (2013), FDA has, together with USDA's Agricultural Marketing Service (AMS), established a jointly funded Produce Safety Alliance (PSA), a public-private partnership with Cornell University that will develop and disseminate science- and risk-based training and education programs to provide produce growers and packers with fundamental food safety knowledge. The first phase of PSA's work, which has already begun, intends to assist farms, especially small and very small farms, in establishing food safety programs consistent with the Good Agricultural Practices (GAPs) Guide and other existing guidance so that they will be better positioned to

comply when we issue a final produce safety rule. As this rulemaking is finalized, FDA will work to ensure that the PSA materials are modified, as needed, to be consistent with the requirements of the produce safety rule.

We also will work to provide education and technical assistance through other sources that are familiar to the produce farming community (such as Cooperative Extension, land grant universities, and trade associations). We plan to work with these and other stakeholders to develop a network of institutions that can provide technical assistance to the farming community, especially small and very small farms, as they endeavor to comply with the provisions of the final rule.

As another piece of the overall education and outreach efforts associated with the implementation of FSMA, FDA has recently issued a request for applications (RFA) for the establishment of a National Coordination Center (NCC) for Food Safety Training, Education, Extension, Outreach, and Technical Assistance Program. The FDA and the USDA's NIFA have joined in a collaborative partnership to administer and manage the National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Program using competitive grants. This program is designed to develop a comprehensive food safety training, education and technical assistance program for those affected by FSMA. Specifically, this program will address the needs of owners and operators of small and medium-sized farms, beginning farmers, socially disadvantaged farmers, small processors, and small fresh fruit and vegetable merchant wholesalers.

Finally, many state departments of agriculture have substantial interest and expertise in produce safety, and we consider them essential partners in providing training, technical assistance, and guidance to growers to facilitate implementation of FSMA. We are in active dialogue with the National Association of State Departments of Agriculture (NASDA) on how we can strengthen our partnership and mobilize the resources they and we will need to support this effort.

Produce safety

26. Has FDA prioritized consumer communication about proper food handling?

Response: Combined with response #27.

27. What specific steps is FDA taking to ensure that consumers are part of the overall success of FSMA?

Response: FSMA's basic tenet is prevention, and we continue to do significant consumer education on food safety/food handling practices to prevent foodborne illness. We also meet regularly with consumer groups to discuss FSMA implementation efforts. We work closely with USDA, CDC, the Partnership for Food Safety Education, foodsafety.gov, and others to educate

consumers about food safety. In addition to information for the general population, the education efforts target middle and high school children, pregnant women and other vulnerable sub-populations.

In addition, we are planning for educational events/activities for World Health Day on April 7, 2015 because this year's focus is food safety. The goal of these planned activities is to enhance consumers' awareness and understanding of farm to plate food safety and FSMA's role in preventing foodborne illness. We are also considering the tools and information that will be available with the final rule, including tools for consumers about their role in food safety.

Flexibility with the produce safety rule

28. Will FDA allow alternatives for all standards, not just agricultural water and biological soil amendments?

Response: FDA has received many comments related to alternatives, and we realize that this is an important issue. We are currently evaluating public comment received on this issue and are considering whether alternatives beyond those proposed are warranted.

29. Will FDA broaden the entities eligible to request variances beyond state and foreign governments, to include commodity groups, regional organizations, and other coalitions of growers with a common unifying characteristic?

Response: FDA has received many comments related to variances, and we realize that this is an important issue. We are currently evaluating public comment received on this issue and are considering whether a request for variance(s) from entities other than a State or foreign government may be permitted.

30. Will FDA publish its scientific review and basis for all standards in order to help growers determine what may be acceptable alternatives to meet the standard?

Response: In the original produce safety proposed rule published in 2013 and the revised produce safety proposed rule published in 2014, FDA explains its scientific support for the standards proposed, in the preamble and in more detailed scientific memos that can be found in the public docket. We intend to provide our scientific basis for changes to these standards, if any, that appear in the final rule. In addition, the Produce Safety Alliance is currently working on training materials related to the rule. This effort includes participation by FDA and the U.S. Department of Agriculture's Agricultural Marketing Service. We also intend to provide guidance to help growers determine acceptable alternatives to meet the standards in the rule, as appropriate.

Good Agricultural Practices (GAP) or the Leafy Greens Marketing Program (LGMA)

31. Will FDA exempt GAP-certified growers and those participating in the LGMA from additional or duplicative regulation under FSMA?

Response: Combined with response #32.

32. Would FDA grant a blanket alternative or variance to growers certified through GAP or the LGMA?

Response: We have received a number of comments to our proposed produce rule suggesting FDA leverage the efforts of programs like LGMA, especially where such programs might meet or exceed the proposed requirements in the rule and where the programs include mechanisms to monitor and verify compliance. We expect that third-party audits, including GAP audits and audits conducted under LGMA, will play a role in verifying that farms are meeting the requirements of the produce safety rule, when finalized. We plan on leveraging these programs to prioritize inspections and inform work planning. FDA is committed to working with the produce community and with partners in the U.S. Department of Agriculture, State agencies, and foreign governments to facilitate compliance through education, technical assistance and regulatory guidance.

Exemptions in the produce safety rule

33. Why did FDA include all food sales in its calculation for the exemption threshold, rather than simply sales of produce covered by the rule?

Response: In the supplemental notice of proposed rulemaking, issued in September 2014, FDA proposed to amend the basis for the monetary threshold for coverage of the rule as well as farms defined as Small Business and Very Small Business from "all food" to "all produce". We did not propose to make a similar amendment to the criteria for eligibility for a qualified exemption and associated modified requirements because those criteria are derived from section 419(f) of the FD&C Act (21 U.S.C 350h(f)). For this specific provision, we believe, as a result of the statutory language, that we cannot apply the monetary threshold to produce sales, but instead must apply it to total food sales. With respect to using "covered produce" as the basis for the monetary thresholds for coverage and for the definitions of small and very small businesses, we explained the challenges associated with such an approach in the supplemental notice. We are currently considering comments received on this issue.

$25,000 Produce Safety Rule

34. What percentage of domestic produce has FDA estimated will qualify for this regulatory exemption? What percentage of imported produce has FDA estimated will qualify for this regulatory exemption?

Response: With the amendments proposed in the supplemental notice of proposed rulemaking to consider "all produce" sales rather than "all food" sales, every farm's revenue for purposes of size categorization is now smaller or unchanged, shifting some farms toward smaller size categories. This reduces estimated total costs as farms move from very small to not covered; and from small to very small, or from large to small because of the extended compliance dates. We estimate that the number of very small farms will fall by 11 percent, small farms will fall by 12 percent, and large farms will fall by 15 percent. In addition, in total, we estimate that the number of covered farms will be reduced by 4,708 (from 40,211 to 35,503) with an associated cost savings of approximately $73.33 million.

Removing these additional farms from coverage will also reduce the estimated benefits of this rule. With an additional 4,708 farms not covered by the rule, we estimate that the portion of produce acreage which may be associated with foodborne illness not covered due to low monetary value of produce by the rule will increase from 0.7 percent to approximately 2 percent. In total we estimate that this change will result in a reduction of total benefits by about $107.79 million (from about $1,037.78 million to about $930.00 million). Due to the lack of data on foreign farms, we estimate that approximately the same percentage of foreign produce would be eligible for this exemption. We continue to review and update these estimates based on any new data we receive.

Implementation of the Produce Safety Rule

35. What mechanisms will FDA use to delegate authority to the states?

Response: Although FSMA does not provide for FDA to delegate authority to the states to administer the Produce Safety rule, our interpretation of FSMA is that it envisions FDA working closely with State agencies and other partners to implement FSMA, including the Produce Safety Rule. Many state departments of agriculture have substantial interest and expertise in produce safety, and we consider them essential partners in providing training, technical assistance, and guidance to growers to facilitate implementation of FSMA. We also intend to conduct inspections through state officials. We are in active dialogue with the National Association of State Departments of Agriculture (NASDA) on how we can strengthen our partnership and mobilize the resources they and we will need to support this effort. NASDA has been charged with obtaining information on current state requirements concerning the production of fresh fruits and vegetables and comparing them to the requirements of the FDA's produce safety rule. This assessment will include a comparison of state authorities regarding on-farm inspections, sampling, and enforcement, to FDA's authorities for such activities. NASDA will also identify the responsibilities and jurisdiction of State departments that have roles related to on-farm

produce safety, including inspections, sampling, enforcement, training and technical assistance. In addition, NASDA will identify areas where major revisions of State laws and/or regulations would be needed in order to align State requirements with FDA's produce safety rule, when finalized. NASDA has also been charged with drafting a strategic plan that includes goals and milestones for developing information to assist States that choose to align their requirements with FDA's Produce Safety Rule, and identifying resources needed for implementation of the aligned requirements. Through this assessment, FDA will have a better understanding of the capabilities of each State, the resources required for implementation, and options for involving States.

FSMA also created mechanisms for providing necessary funds to our regulatory partners to support enhanced food safety efforts, and FDA is working to implement those sections of FSMA to ensure that state and local governments are funded adequately to help implement FSMA. FDA is working to determine funding mechanisms and provide other types of support, such as training, to our state and local partners.

36. Will FDA create commissions or credentialing of state personnel to conduct inspections?

Response: FDA is considering several options related to State personnel conducting inspections. FDA can commission state officials to conduct inspections under FDA's authority. FDA can also contract with a state to conduct inspections under either the state's authority (if comparable to FDA's requirements) or FDA's authority by commissioned officials. We have used commissioning and contracts in the past, and these options are among those being considered.

37. If a state is unable to actively support one or more FSMA requirements, will FDA choose to implement the rules with its own inspectors?

Response: FDA is currently working closely with NASDA to determine how to work with states to ensure compliance with the Produce Safety Rule, when finalized. NASDA's assessment on state legal authority and resource needs will help address this.

FDA use of the EPA's recreational water standard

38. What is the correlation between the recreational water standard and food safety? What scientific data supports its use to improve food safety?

Response: As noted in the memo to the file of the supplemental notice of proposed rulemaking, issued in September 2014, we proposed an approach to agricultural water standards that would provide flexibility to allow the standards to be applicable to diverse irrigation and growing conditions, while still protecting public health. For agricultural water used in a direct application

method during the growing of produce (other than sprouts), we proposed to update the microbial quality standard to reflect data that supports the 2012 EPA recreational water quality criteria. We noted that we continue to find that science underlying the Environmental Protection Agency (EPA) generic *E. coli* criteria for recreational water quality supports a quantitative microbial standard that is generally applicable to minimize the risk of known or reasonably foreseeable hazards associated with the use of agricultural water on produce. Further, the EPA analysis supporting the EPA Recreational Water Quality Criteria was developed using the necessary scientific rigor and describes illness rates due to incidental ingestion that can be generalized across different bodies of water. We proposed to provide additional flexibility in the supplemental notice, which would permit farms to establish and use alternatives to the microbial quality standard. Farmers with agricultural water that does not initially meet the proposed microbial standard would have additional means by which they could meet the standard and then be able to use the water. To account for microbial die-off that occurs during produce production, we tentatively determined that it would be appropriate to provide an allowance for microbial die-off between last irrigation and harvest using a proposed die-off rate of 0.5 log per day, based on a review of scientific literature. Also, we proposed an additional new provision under which a farm could apply a time interval (in days) between harvest and end of storage using an appropriate microbial die-off rate between harvest and end of storage and/or appropriate microbial removal rates during activities such as commercial washing. We recognize the importance of minimizing the burden to the farming community. We are currently evaluating comments received on this issue.

FDA's proposed minimum application interval for raw soil amendments of biological origin

39. Why did FDA reject the 120 day standard in favor of 270 days?

Response: Responses for 39, 40, 41 and 42 combined. See number 42 response.

40. Will this standard have a disproportionate impact on farmers in cooler climates with a shorter growing season?

Response: Responses for 39, 40, 41 and 42 combined. See number 42 response.

41. Does this standard discourage integrated production systems by severely restricting or eliminating farmers' ability to pasture animals on fallow fields outside the growing season?

Response: Responses for 39, 40, 41 and 42 combined. See number 42 response.

42. How does FDA justify this standard's conflict with the National Organic Program?

Response: As discussed in the supplemental notice of proposed rulemaking, overall, no new studies have been published since the issuance of the previously published proposed rule that would refute the scientific basis for our originally proposed 9-month waiting period. Nevertheless, we recognize the limited body of scientific evidence, the limitations associated with the studies we relied on, and the need for additional research in this area. The use of raw manure at a time close to harvest, during organic or conventional production, presents a significant likelihood of contamination of covered produce if produce is reasonably likely to contact the soil. We continue to believe that a science-based minimum standard to address this potential for contamination by such use of raw manure must include an appropriate quantitative minimum application interval.

However, considering the strong concerns expressed by stakeholders, our ongoing effort to build the scientific knowledge and infrastructure in this area, and our overall commitment to adopt practical and effective produce safety strategies, we have tentatively concluded that the appropriate approach is to remove the 9-month minimum application interval for use of raw manure that was in the original proposal and defer our decision on an appropriate minimum application interval until we are able to pursue the following actions:

First, we will conduct a risk assessment on the safe use of raw manures in covered produce fields. We will also continue to work with USDA and other stakeholders to develop and implement a robust research strategy that will allow us to supplement the science currently available on this issue, and further develop our risk assessment model. We encourage the farming community and others to partner with us on this effort, including by participating with academia, industry, and government on necessary research activities.

Second, we will work with USDA and other stakeholders to encourage the transition of the produce grower community to the use of stabilized compost rather than raw manure. Use of compost is recognized as a safer practice from a public health standpoint, and is also considered to be a more sustainable environmental practice. We encourage the farming community and others to partner with us on this effort.

We anticipate that these efforts will take 5 to 10 years to complete. Following the completion of the risk assessment and research work, we expect to: (1) provide stakeholders with data and information gathered from scientific investigations and risk assessment; (2) consider such new data and information to develop tentative scientific conclusions; (3) provide an opportunity for public comment on our tentative decisions; and (4) consider public input to establish an appropriate minimum application interval(s).

We acknowledge the comments that pointed out that many growers currently employ the NOP standard of 90 days or 120 days, as specified in 7 CFR 205.203(c)(1), and we recognize that such growers will likely continue their current practice to use this standard in organic crop production, in the absence of an FDA regulation that establishes a food safety standard for minimum

application intervals associated with the use of raw manure. We believe adherence to the NOP standard to be a prudent step toward minimizing the likelihood of contamination while the above described research program is ongoing.

Preventive Controls for Human Food Rule

43. If produce is low-risk from a food preventive controls perspective, because it is already subjected to the produce safety rule, why must some farm on-farm packing businesses comply with more regulations than others? Should we not regulate all businesses performing the same activity in a similar manner?

Response: FSMA directed FDA to conduct a science-based risk analysis of specific types of on-farm packing, holding, and manufacturing/processing activities that would be outside of the "farm" definition and, thus, subject to the requirements for hazard analysis and risk-based preventive controls, not the produce safety rule. FSMA then directed FDA to consider the results of that scientific-based risk analysis and exempt facilities that are small or very small businesses from the preventive controls rules if such facilities are engaged only in specific types of activities that we determine to be low risk involving specific foods that we determine to be low risk. Consistent with this statutory direction, FDA developed the draft risk assessment and proposed exemptions for on-farm activity/food combinations conducted by farm-mixed-type facilities that are small or very small businesses.

These activity/food combinations are "on-farm" in the sense that they are conducted by farm-mixed-type facilities. However, the activities fall outside of the farm definition and, therefore, none of the activity/food combinations are regulated under the produce rule. We proposed the exemptions for low-risk activity/food combinations and did not generate a list of low-risk produce. Different activities conducted on different foods can create different risks. For example, FDA would not consider tomatoes a low risk food, but sorting and culling tomatoes could still be a low-risk activity/food combination.

44. Why is the produce safety rule insufficient to cover larger on-farm packing businesses, in addition to smaller operations?

Response: In the supplemental notice on the Preventive Controls for Human Food Rule published September 29, 2015 we proposed a revision to the farm definition that would provide for packing of raw agricultural commodities from farms to be within the farm definition, regardless of whether the raw agricultural commodity was grown on the farm on which the packing house is located. Under this revised definition, the packing of produce covered by the produce safety rule on a farm would be subject to the produce safety rule, regardless of whether the produce was grown on the farm on which the packing house is located.

Produce Auctions

45. Given the nature of the extremely low risk posed by produce auctions, why did FDA not exempt them from the preventive controls rule?

Response: We have not specifically addressed the status of produce auctions generally under the preventive controls rule. If required to register under section 415 of the FD&C Act, a produce auction would be subject to the preventive controls rule unless subject to an exemption in that rule. There are also various exemptions from the section 415 registration requirement. We note that we intend to conduct a rulemaking required under section 102 of FSMA with respect to the scope of the retail food establishment exemption from the registration requirement.

FSMA section 103(n)(5) - Pasteurized Milk Ordinance (PMO)

46. Did FDA complete a food safety review of the PMO? If so, is it publicly available?

Response: FDA included the PMO voluntary HACCP program in a "Comparison of Proposed Subpart C (Hazard Analysis and Risk-Based Preventive Controls) to Various Existing Domestic and International HACCP-Based Standards" that was a reference in the docket to the proposed Preventive Controls for Human Food Rule published in 2013. FDA is also in dialogue with the National Conference of Interstate Milk Shippers (NCIMS), through its Committees in which FDA participates, to consider differences between the PMO and the 2013 proposed Preventive Controls for Human Food rule.

47. What is the additional cost and benefit of requiring compliance with the preventive controls rule, beyond what the industry already does through the PMO?

Response: There are a number of provisions in the Preventive Controls for Human Food Rule that are not included in the existing PMO, most notably provisions for environmental monitoring in facilities producing ready-to-eat foods exposed to the environment, controlling allergens, and supplier verification when a supplier controls a hazard in a raw material or ingredient. We have not determined the cost specifically for dairy facilities that would need to include new provisions based on the Preventive Controls for Human Food Rule. However, we have identified outbreaks, recalls and environmental and product sample positives that indicate implementing the provisions in the Preventive Controls for Human Food Rule could provide public health benefits.

48. Will FDA consider exempting Grade "A" milk facilities regulated under the PMO from the FSMA preventive controls provisions?

Response: FDA has received comments on whether and how a facility complying with the PMO or with the PMO's voluntary HACCP program would be in compliance with the requirements of the proposed PC rule and will address this issue in the final rule. Currently, NCIMS Committees

are considering how to make the PMO address the requirements in the provisions of the 2013 proposed Preventive Controls for Human Food rule.

User Fee Request

49. Could you explain then why FDA needs these user fees?

Response: The FY 2015 budget proposed two user fees for Food Import ($169 million) and Food Facility Registration and Inspection ($60 million) to support implementation of the FDA Food Safety Modernization Act (FSMA), including improving FDA's import process and modernizing FDA's inspection system. Funds raised by these proposed fees are critical to fully implementing FSMA.

With the proposed import user fee, FDA will implement the FSMA mandate for a modern-prevention-oriented import oversight system that ensures imported food meets the same high safety standards as domestically produced food. The new import fees target activities associated with implementing the Foreign Supplier Verification Program mandated by FSMA, including recruiting and training FDA import staff to assess the adequacy of importer supply chain management and verification programs. To ensure that the new import oversight system does not impede trade, FDA will also invest in the staff, information technology and process improvements needed to make timely import entry decisions. These fees will enhance both the safety protections for imported food and feed and the efficiency and speed of food and feed entry decisions, thus supporting international trade in safe food and feed.

Revenue from registration fees will target new and improved activities required by FSMA to modernize FDA's inspection system. The fees will enable FDA to increase the effectiveness of inspections through adoption of preventive controls, training of personnel to inspect against the new prevention standards, and developing new ways to educate and inform industry. Fees will also support improvements in food and feed safety science and risk analysis, so that knowledge of the methods of food and feed contamination can better prevent outbreaks, and ensure that resources are better focused on areas of greatest risk.

50. Have you hired new inspectors or started training them?

Response: No new inspectors have been hired or trained as a result of the user fee requests. Upon authorization of the proposed new user fees by Congress, the fees will enable FDA to increase the effectiveness of inspections, hire new inspectors, train personnel to inspect against the new prevention standards, and develop new ways to educate and inform industry.

51. Given that FMSA implementation has not been finalized, do you anticipate asking for more fees to regulate these businesses as these rules come out?

Response: At this time, FDA does not anticipate asking for additional fees for FSMA implementation efforts.

Sun Lamp products

Congress amended the FDCA in 2012 to streamline the procedure for FDA to reclassify medical devices. In doing so, Congress sought to assure due process for industry by specifying a particular procedure for FDA to follow, namely: (a) publish a proposed order, (b) hold an advisory panel meeting, and (c) consider comments filed in the public docket.

52. Did the FDA follow these procedures when it reclassified sun lamp products?

Response: Yes. FDA completed all three steps prior to reclassifying sunlamp products. The process followed by FDA in reclassifying these devices is in accordance with the applicable statutory provisions, as amended by FDASIA. Section 608 of FDASIA amended section 513(e) of the FD&C Act by changing the reclassification process from rulemaking to an administrative order process. The amendments to section 513(e) of the FD&C Act made by FDASIA, require, in relevant part, that issuance of an administrative order reclassifying a device be preceded by a proposed order and a meeting of a device classification panel. As amended, this section of the FD&C Act does not prescribe when these two events (the panel meeting and proposed order) must occur in relation to each other.

53. When reclassifying sun lamp products, did the FDA hold an advisory panel meeting, and if so, when was that hearing held?

Response: An advisory panel meeting was held on March 25, 2010.

Executive Order No. 12,866 requires FDA to submit to the Office of Management and Budget (OMB) for review a "regulation" or "rule" which is "an agency statement of general applicability and future effect, which the agency intends to have the force and effect of law.

54. Has FDA submitted its proposed device reclassification orders to OMB, pursuant to Executive Order #12,866? If not, why not?

Response: FDA did not submit its proposed sunlamp product reclassification order, which issued May 9, 2013 and was finalized on June 2, 2014, to OMB because EO 12866 applies to rules/regulations and since orders are not rules/regulations, they do not fall within the scope of E.O. 12866.

55. If so, can you provide a cost/benefit analysis for that proposed order?

Response: See response to question 54.

Natural Claims

It is my understanding that in 1993 FDA described its policy for "natural" claims on food products in the preamble to the final regulations implementing the Nutrition Labeling and Education Act as follows:

> "The agency will. . . not . . . restrict the use of the term "natural" except for added color, synthetic substances, and flavors . . . Additionally, the agency will maintain its policy . . . regarding the use of "natural," as meaning that nothing artificial or synthetic (including all color additives regardless of source) has been included in, or has been added to, a food that would not normally be expected to be in the food." (58 Fed. Reg. 2302, 2407; January 6, 1993).

56. Is this still the policy of the FDA, if not, can you let the subcommittee know when the FDA rescinded or modified this policy?

Response: Yes, this is still the policy of the FDA. FDA has not rescinded or changed the policy in any way.

QUESTIONS SUBMITTED BY CONGRESSMAN THOMAS ROONEY

Approval of First Genetics

One of the key goals of the Generic Drug User Fee Act is to provide the generic drug industry with more certainty in FDA action on ANDAs. In the beginning years of the agreement, years one and two, the goal for FDA was to maintain productivity comparable to current performance and to work to assure timely approval of 'first generics.' If a brand drug goes off patent, and a generic version has not been approved, both patients and the U.S. health care system lose out on the savings that could be provided by access to the generic medicine.

Unfortunately, it has been brought to my attention that not all first generic applications are being approved on the same day as patent expiration resulting in millions in lost savings for patients and the our health care system.

It is my understanding that in 2014 there are multiple brand drug products for which first generic drug products could launch pending FDA approval. Timely approval of these applications will provide patients with the savings generic drugs offer as soon as possible.

Mr. Rooney: What actions is the agency taking to reverse this trend and meet the commitment of timely approval of first generics on the earliest possible date?

Response: The commitments made in the GDUFA goals letter encourage FDA to "review and act on" all first generic applications. It does not require FDA to "approve" first generics; rather, pursuant to GDUFA, FDA "will strive to review and act on all ANDAs that are submitted on the first day that any valid paragraph IV application for the drug in question is submitted within 30

months of submission to avoid causing first applicants to inadvertently forfeit 180-day exclusivity eligibility under 21 U.S.C. §355(j)(5)(D)(i)(IV)" (emphasis added).

Focusing on "actions" rather than "approvals" was intended when GDUFA was enacted in 2012, because FDA's Office of Generic Drugs (OGD) had a backlog of several thousand submissions and GDUFA was intended, in part, to provide funding for FDA to work through this backlog. "Action" means completing a review cycle – either by approving an application or by identifying the deficiencies that must be addressed before an application can be approved.

In almost every case, the application will have deficiencies that prevent it from being approved in the first review cycle. Hatch-Waxman rewards first filers with 180-day exclusivity, and companies often "file first, develop later." Sometimes, the application is incomplete and FDA refuses to receive it for review. More often, review of the application reveals deficiencies that must be addressed before the application can be approved. FDA communicates these deficiencies in a Complete Response (CR) letter to the applicant.

It typically takes several review cycles, and several CR letters, to approve an ANDA. As a result, sometimes when a blocking patent or exclusivity period expires, there is no approvable ANDA in the queue. This may look as if FDA has failed in its review process, when in fact none of the applications in the queue are approvable. In addition, even if FDA has completed its scientific review of the application, outstanding Hatch-Waxman legal issues can preclude generic approval.

In short, the first ANDA to be submitted for a given drug product is not always the first ANDA to be approved, making "first generics" a more fluid cohort than it is commonly perceived. Historically, FDA has not flagged all potential first generics or tracked the comparative progress among them each step of the review process from filing to approval. That said, FDA strongly agrees that first generic approvals are an important public health priority. They are important to consumers, industry, and payers alike. Thus we are taking several steps to help approve more first generics.

First, we are upgrading our business processes, information systems, and staffing to make sure we can identify potential first generics early, plan their review proactively, and track and report on them throughout their review. OGD has always recognized the importance of first generics, and informally prioritized them, but GDUFA is giving us the resources to prioritize first generics more systematically for the first time. Historically, OGD has tracked first generic approvals, but not "misses" (e.g., when approval does not coincide with expiration of the blocking patent or exclusivity period). We are building systems to track these data and the reason(s) for a miss (e.g., Hatch-Waxman dispute that was out of the FDA's control vs. review issues).

Second, we are updating our internal policies to prioritize the review of potential first generic applications. We will do this by means of a "prioritization MaPP". "MaPP" stands for "Manual of Policy and Procedure" and is an internal document that is publicly available. The MaPP will

clarify for industry and FDA staff which types of submissions will be expedited or prioritized on public health grounds. First generics will be one of the identified public health priorities. (Other priorities will include, for instance, President's Emergency Plan For AIDS Relief and shortage drugs.) The MaPP will clarify that first generics are a priority even if they do not have GDUFA metric goals.

It is my understanding that in 2014 there are multiple brand drug products for which first generic drug products could launch pending FDA approval. Timely approval of these applications will provide patients with the savings generic drugs offer as soon as possible.

It is my understanding that in 2014 there are multiple brand drug products for which first generic drug products could launch pending FDA approval. Timely approval of these applications will provide patients with the savings generic drugs offer as soon as possible.

Mr. Rooney: Will FDA commit to prioritizing approval of these first generic drug applications in 2014?

Response: FDA is committed to prioritizing approval of first generic applications. The response to the previous question describes FDA's work in progress to address prioritization of these ANDAs.

Food Safety Modernization

The Food Safety Modernization Act does not contain the term "reasonably likely to occur" (RLTO) and instead uses "reasonably foreseeable" to define a threshold for determining preventive controls. In addition, it does not provide any other basis for using RLTO to differentiate among various hazards and associated preventive controls. The proposed RLTO standard lends itself to regulatory rigidity. Mr. Taylor has said that there is "a way to solve this and manage this" concern so that those facilities with advanced food safety systems do not have to change their already effective practices.

Mr. Rooney: How does FDA plan to address this concern and when can the Committee expect a successful resolution?

Response: We have received many comments related to the use of the term "reasonably likely to occur" in response to the Preventive Controls for Human Food proposed rule. Comments expressed concern that if we use this term as the basis for determining the need for preventive controls, then either all preventive controls will need critical control points (CCPs) or people will be confused by the term being different in this rule from the seafood and juice Hazard Analysis and Critical Control Points (HACCP) rules. Comments have also expressed concern that this approach would require existing food safety systems to be revised. We are still reviewing comments and deciding how to best revise our approach to address these concerns and to better reflect our intent.

During a recent hearing in the House Energy & Commerce Committee, Mr. Taylor noted that the Agency is working with industry to "figure out how to exchange information," stating that there is "no lack of sensitivity" to the issue of protecting confidential business information. Viewing facility records is most meaningful when it is done within the context on an on-site inspection.

Mr. Rooney: Does FDA plan to require access to information outside the context of an inspection?

Response: We have received numerous comments expressing concern about remote access to records and the need to protect confidential business information. We are evaluating these comments and considering whether there are alternative approaches to obtaining information in advance of an inspection that would improve the efficiency of on-site inspections or perhaps obviate the need for an on-site inspection in certain circumstances.

Mr. Rooney: If electronic records access is necessary, what security measures does the Agency plan to put in place to prevent unauthorized release of confidential business information?

Response: Led by the Chief Information Security Officer (CISO), the Information Security Services Staff (ISSS) is responsible for ensuring that appropriate security controls are applied to FDA systems. These controls and the security authorization process protect privacy and ensure confidentiality, integrity, and availability of information. The CISO enforces system security policies and standards enterprise-wide in accordance with the Agency, HHS, GSA, OMB and other Federal government security requirements.

Preventative Controls

A large percentage of food products under the Preventive Controls rule are likely to be classified as high risk.

Mr. Rooney: Will the agency craft a risk ranking mechanism that can differentiate risk for better targeting of interventions and resources for industry and the FDA?

Response: The development of tools to better target resources for research efforts, education and outreach, and training and technical assistance is a high priority for the Agency. One key element of the FDA Food Safety Modernization Act (FSMA) is the vision of future regulatory action being focused on the degree of risk posed by a given food (including animal food) or feed. So FDA is developing new tools that will provide the information needed to focus decisions and resources on areas of greatest risk to public (human and animal) health. This includes new tools for ranking risks, prioritizing program activities based on opportunities to reduce risk, and linking risk-based priorities more clearly with budget formulation and execution. For example, these new tools might better inform FDA about which foods and feeds are most vulnerable to particular contaminants or where FDA should invest its research efforts to most effectively identify how to reduce contamination of food and feed. As a result, this will improve FDA's productivity in all areas, including research and standard setting, inspections, and technical assistance to industry. This would be a key area of enhanced development should FDA receive resources to fully implement FSMA.

Mr. Rooney: Please provide the committee the percentage of food(s) under each proposed rule and subject to the rule, that fall under the classification of "high risk food".

Response: Neither the Preventive Controls for Human Food proposed rule nor the Preventive Controls for Animal Food proposed rule calls for the designation of foods as high risk. The Track and Trace provision in FSMA Section 204 requires that the Agency identify high risk foods for which additional recordkeeping requirements are appropriate and necessary in order to rapidly and effectively track and trace such foods during a foodborne illness outbreak or other event. In February 2014, FDA released for comment a draft methodological approach to identifying these high risk foods, which is a first step in developing the Track and Trace regulation. After evaluating the comments received on the methodology and making any necessary adjustments, FDA plans to have it peer reviewed. FDA anticipates releasing the proposed high risk foods list for Track and Trace in conjunction with the proposed regulation.

Regulatory Authority

FDA is proposing an increase of $25 million and 89 new FTEs to regulate compounding pharmacy, mostly to regulate traditional pharmacies that compound both human and animal drugs. These pharmacies are currently regulated by the states. The FY '15 budget justification states FDA's intention to regulate "the thousands of pharmacies" that do not register as federally regulated outsourcing facilities. In addition to providing more specifics as to how many pharmacies over which it intends to expand regulatory author, can you please answer the following questions:

Mr. Rooney: Does the Administration believe that it is now the primarily regulator of pharmacies that do not register as 503B outsourcing facilities?

Response: Pharmacies that do not register as outsourcing facilities under section 503Bof the Food, Drug, and Cosmetic Act (FD&C Act) continue to be subject to certain requirements under the FD&C Act. Section 503A, added to the FD&C Act in 1997 as part of the Food and Drug Administration Modernization Act of 1997 (FDAMA), describes the conditions under which certain compounded human drug products are entitled to exemptions from three sections of the FD&C Act requiring:

- Compliance with CGMP requirements (section 501(a)(2)(B));
- Labeling with adequate directions for use (section 502(f)(1)); and
- FDA approval prior to marketing (section 505).

Drugs produced by compounders must meet the conditions of section 503A to qualify for the exemptions specified in that section. All other applicable provisions of the FD&C Act remain in effect for compounded drugs, even if the conditions in section 503A are met. For example, a compounded drug cannot be contaminated or made under insanitary conditions (see sections 501(a)(1) and 501(a)(2)(A)). And if a compounded drug does not qualify for the exemptions under section 503A of the FD&C Act, the compounded drug would be subject to all of the requirements of the FD&C Act that are applicable to drugs made by

conventional manufacturers, including the new drug approval, CGMP, and adequate directions for use requirements.

Until Congress enacted the Drug Quality and Security Act (DQSA) in November, 2013, the validity of section 503A of the FD&C Act was uncertain. Section 503A of the FD&C Act had been challenged in court, and there were conflicting court rulings regarding the validity of this section. The DQSA removes certain provisions from section 503A the FD&C Act that the U.S. Supreme Court held unconstitutional. By removing the unconstitutional provisions, the new law removes uncertainty regarding the validity of section 503A, which is applicable to compounders nationwide.

Mr. Rooney: Over the next five years, how many FTEs does the agency think it would need to achieve this goal? Will 89 new FTEs be adequate?

Response: FDA's request of $25 million and 89 FTEs is to enhance compounding oversight activities in FY 2015. FDA cannot predict how many facilities will register as outsourcing facilities under section 503B of the FD&C Act, or what other compounding issues may arise over the next 5 years. As the DQSA implementation progresses, FDA may evaluate whether additional resources will be needed to support compounding oversight activities in future years.

Mr. Rooney: Does FDA intend to expand its authority over non-sterile and well as sterile compounding?

Response: FDA's authority comes primarily from the Food, Drug, and Cosmetic Act (FD&C Act). See response to previous question with regard to how the FD&C Act applies to compounders that do not register as outsourcing facilities under section 503B. Section 503A applies to both sterile and non-sterile compounding. It does not distinguish between the two.

In its budget justification the FDA states its intention to regulate "the thousands of pharmacies" that do not register as federally regulated outsourcing facilities.

User Fees

The FY 2012, 2013, 2014 and 2015 budget requests for your agency's food safety work was made up of primarily increasing funds from user fees. The FY '15 proposal includes a $69 million food facility registration fee and $169 million import inspection fee. According the Wall Street Journal, "surging prices for food staples from coffee to meat to vegetables are driving up the cost of groceries in the U.S., pinching consumers and companies that are still grappling with a sluggish economic recovery." Federal forecasters estimate retail food prices will rise as much as 3.5% this year.

Mr. Rooney: Has FDA conducted any sort of economic analysis on how enacted user fees will impact food prices or the consumer?

Response: FDA did not undertake an economic impact analysis on food prices when creating these user fee proposals.

It is my understanding that not all rules related to the Food Safety Modernization Act have been issued. As a result, the entire cost of implementation remains unknown.

Mr. Rooney: Is FDA considering additional user fees in order to regulate these businesses as these rules come out?

Response: FDA is not considering additional user fees to support FSMA implementation at this time.

Mr. Rooney: Does FDA plan on using food facility registration fees to cover other activities? If not, where is this money coming from? Are they coming from food safety funds?

Response: Revenue from proposed registration fees will target new and improved activities required by FSMA to modernize FDA's inspection system. The fees will enable FDA to increase the effectiveness of inspections, training of personnel to inspect against the new prevention standards, and developing new ways to educate and inform industry. Fees will also support improvements in food and feed safety science and risk analysis, so that knowledge of the methods of food and feed contamination can better prevent outbreaks, and ensure that resources are better focused on areas of greatest risk.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID VALADAO

Pasteurized Milk Ordinance

When FSMA was passed, the intent was for FDA to coordinate with the states, and not add new layers of federal inspection and regulation on top of the existing state regulatory oversight. Duplication of state systems is not the intent of FSMA, and we expect that FDA will recognize the efficacy of the Pasteurized Milk Ordinance (PMO) in providing for safe Grade A dairy products and deem PMO-regulated facilities to be in compliance with the Preventive Controls Rule for Human Food.

Mr. Valadao: Do you agree Dr. Hamburg, that partnering with the states, and not duplicating their work, is the best approach -- particularly in the case of the PMO and its strong safety record in the dairy industry?

Response: FDA values the Milk Safety Program, through which it works with states and industry via the National Conference on Interstate Milk Shipments (NCIMS). Through this co-operative program, FDA leverages the resources of the states as we all work together toward ensuring the safety of Grade A milk and milk products shipped in interstate commerce.

The Pasteurized Milk Ordinance (PMO) is the model ordinance adopted by the states to regulate Grade A milk and milk products. Section 418(n)(5) of the Federal Food, Drug, and Cosmetic Act, as amended by the FDA Food Safety Modernization Act (FSMA), states that "In promulgating the regulations under paragraph (1)(A), the Secretary shall review regulatory

hazard analysis and preventive control programs in existence on the date of enactment of [FSMA], including the Grade 'A' PMO to ensure that such regulations are consistent, to the extent practicable, with applicable domestic and internationally-recognized standards in existence on such date."

Please be assured that FDA has in fact, reviewed the PMO while developing the preventive control regulation for human food.

In addition, FDA has received comments on the proposed preventive control regulation for human food, published in January 2013. Some comments request that the Agency exempt any facility which participates in NCIMS from being subject to the rule. FDA is considering those comments as it develops a final rule.

QUESTIONS SUBMITTED BY RANKING MEMBER SAM FARR

Compounding Pharmacies

In its budget justification the FDA states its intention to regulate "the thousands of pharmacies" that do not register as federally regulated outsourcing facilities.

Mr. Farr: If a pharmacy does not register does the FDA automatically consider that a reason to wrap that pharmacy into oversight responsibilities?

Response: Pharmacies that do not register as 503B outsourcing facilities continue to be subject to FDA oversight under the Food, Drug, and Cosmetic Act (FD&C Act). Section 503A of the FD&C Act, added to the FD&C Act in 1997 as part of the Food and Drug Administration Modernization Act of 1997 (FDAMA), describes the conditions under which certain compounded human drug products are entitled to exemptions from three sections of the FD&C Act requiring:

- Compliance with CGMP requirements (section 501(a)(2)(B));
- Labeling with adequate directions for use (section 502(f)(1)); and
- FDA approval prior to marketing (section 505).

Drugs produced by compounders must meet the conditions of section 503A to qualify for the exemptions specified in that section. All other applicable provisions of the FD&C Act remain in effect for compounded drugs, even if the conditions in section 503A are met. For example, a compounded drug cannot be contaminated or made under insanitary conditions (see sections 501(a)(1) and 501(a)(2)(A)). And if a compounded drug does not qualify for the exemptions under section 503A of the FD&C Act, the compounded drug would be subject to all of the requirements of the FD&C Act that are applicable to drugs made by conventional manufacturers, including the new drug approval, CGMP, and adequate directions for use requirements.

Until Congress enacted the Drug Quality and Security Act (DQSA) in November, 2013, there was uncertainty regarding the applicability of section 503A of the FD&C Act . Section 503A

of the FD&C Act had been challenged in court, and there were conflicting court rulings regarding the applicability of this section. The DQSA removes certain provisions from the FD&C Act that the U.S. Supreme Court held unconstitutional. By removing the unconstitutional provisions, the new law removes uncertainty regarding the applicability of section 503A, which is applicable nationwide.

Mr. Farr: How will the FDA differentiate between those pharmacies that should register but haven't, and pharmacies that haven't registered because they don't meet the definition of a drug outsourcing facility?

Response: If FDA inspects a pharmacy that has not registered as an outsourcing facility (for example, if FDA becomes aware of an adverse event associated with the pharmacy's products), FDA will have to determine whether the pharmacy is operating in compliance with existing section 503A (which is carried forward in the Drug Quality and Security Act (DQSA)). If they are not, they will be subject to the same requirements as a conventional manufacturer. But the pharmacy may be operating in accordance with the conditions of section 503A for some products (e.g., getting prescriptions, using appropriate bulk drug substances to make those products) and violating the conditions of section 503A with other products (e.g., copying commercially available products, compounding drugs on the difficult to compound list). In such a case the question of who is primarily responsible for regulating the pharmacy when it is not registered with the FDA as an outsourcing facility remains.

FDA will continue to be hampered in its ability to proactively identify pharmacies that use dangerous compounding practices if they seek to hide out in the traditional compounding category. In addition, the lack of clarity over who is primarily responsible for regulating such pharmacies that exists under current law remains.

We intend to continue proactive risk-based, surveillance, follow-up, and for-cause (in response to serious adverse event reports and reports of quality problems) inspections of compounders, including firms registered under section 503B to identify those with deficient sterile compounding practices. We plan to take action, including enforcement actions, as appropriate to protect the public health.

FDA estimates it needs 89 FTEs to conduct compounding oversight.

Mr. Farr: Is that 89 a goal? A ceiling? Or a starting point that could grow?

Response: FDA's request of $25 million and 89 FTEs is to enhance compounding oversight activities in FY 2015. FDA cannot predict how many facilities will register as outsourcing facilities under section 503B of the FD&C Act, or what other compounding issues may arise in the future. As the DQSA implementation progresses, FDA may evaluate whether additional resources will be needed to support compounding oversight activities in future years.

Mr. Farr: Does FDA intend to expand its authority over non-sterile and well as sterile compounding?

Response: Response: FDA's authority comes from the Food, Drug, and Cosmetic Act (FD&C Act). The FD&C Act applies to compounders that do not register as outsourcing facilities under section 503B. Section 503A applies to both sterile and non-sterile compounding. It does not distinguish between the two.

The FDA budget request includes $2 million for the regulation of animal drug compounding. Compounding for animals is regulated by the states. I'm not clear that there is anything in the FFDCA or the DQSA that pre-empts state law and gives the federal government authority to regulate compounding for animals.

Mr. Farr: Can you identify where FDA draws its authority to regulate compounding for animals?

Response: FDA draws its authority to regulate drugs compounded for animal use from the Federal Food, Drug, and Cosmetic Act (FD&C Act). Unlike the provisions of the FD&C Act that provide exemptions from certain statutory requirements for drugs compounded for human use under certain conditions (see 21 U.S.C. §§ 353a and 353b), nothing in the FD&C Act differentiates drugs for animal use that are compounded using bulk drug substances from other kinds of manufacturing or processing of animal drugs. Accordingly, compounded animal drugs compounded from bulk drug substances are new animal drugs. In addition, the FD&C Act does not exempt veterinarians or pharmacists from the requirements in the new animal drug provisions of the FD&C Act.

However, compounding animal drugs from approved human or approved animal drugs is permitted by the provisions in the Animal Medicinal Drug Use Clarification Act (AMDUCA) and implementing FDA regulations that set out conditions for the legal extralabel use of approved human or animal drugs in animals. (21 U.S.C. §§ 360b(a)(4) and (5) and 21 C.F.R. part 530).

Nothing in the FD&C Act exempts animal drugs compounded using bulk drug substances from the requirements for new animal drugs under any circumstances (see 21 U.S.C. §360b).. The compounding of an new animal drug from any bulk drug substance or any unapproved drug results in an adulterated and misbranded new animal drug in violation of sections 21 U.S.C. §§ 351(a)(5) and 352(f)(1). Just like for other adulterated and misbranded new animal drugs, the FD&C Act prohibits the introduction or delivery for introduction into interstate commerce of such animal drugs. (21 U.S.C. § 331(a)). When violations occur, FDA can initiate enforcement action. FDA-initiated enforcement action may include seizure (21 U.S.C. § 334), and/or injunction (21 U.S.C. § 332).

After the *Medical Center Pharmacy v. Mukasey* decision in 2008, Section 503A of the FDAMA of 1997 relating to compounding was resurrected in the 5th Circuit, which includes the states of Texas, Louisiana and Mississippi. In the intervening five years, FDA did not take action to override state laws that allowed for office use of compounded medications. Yet, in recent

months, FDA has issued warning letters taking the position that office use is not allowed under 503A.

Mr. Farr: If the FDA believed it had discretion to allow office use of compounded medications from 2008 to 2013 in the states where 503A clearly existed, why is the agency now taking a different position?

Response: To qualify for exemptions from certain FDCA requirements under section 503 A, such as having to obtain approval of a new drug application, a compounder must obtain a prescription for an individually-identified patient. Before passage of the DQSA, FDA issued warning letters to firms that were not getting prescriptions for individually identified patients, and in the DQSA, Congress did not change section 503A with regard to the need for a prescription. Firms that wish to compound without obtaining prescriptions for individually identified patients may be able to do so if they meet the conditions for registered outsourcing facilities in Section 503B. The agency intends to continue to exercise its authority, as appropriate, to protect the public health.

I have heard from scientists and clinical experts who are greatly concerned that the SPA process may have been hijacked or is breaking down. Apparently the SPA process has worked well in the past but of late it has been used to block duly researched and documented drugs. The concern is that SPA rescissions will have a stifling impact on clinical practices and innovation – especially on smaller companies that have come to depend on what normally has been the reliability of the SPA process. I strongly urge you to adhere to the statutory and regulatory guidelines when executing a SPA agreement.

Mr. Farr: What type of scientific evidence would be so substantial as to cause FDA to rescind a SPA for a drug that was otherwise safe and which had met all its endpoints? Where safety is not an issue, how does FDA rescind a SPA based on scientific evidence that was not available at the time the SPA was granted? If we use this logic we'd be forever double guessing ourselves and looking backward.

Response: The Agency recognizes that the written agreements reached as part of the SPA process are important to the drug development process. Written agreements on the design and size of a clinical trial intended to form the primary basis of an effectiveness claim are based on the best scientific information available at the time of the agreement. Newly available scientific knowledge in the form of data or other information, or a reevaluation or improved understanding of relevant scientific knowledge, may, however, challenge or cause the scientific community and the Agency to question or reject previously held assumptions or beliefs supporting an earlier decision and agreement on an SPA.
In order for FDA to make regulatory decisions that incorporate the most relevant and current scientific evidence, the statute permits an SPA agreement to be rescinded if the director of the review division in CDER determines "that a substantial scientific issue essential to determining the safety or effectiveness of the drug has been identified after the [clinical trial] has begun."[3] This determination may include the identification of data that would call into question the

[3] 21 USC 355(b)(5)(C)

clinical relevance of previously agreed-upon efficacy endpoints, the identification of safety concerns related to the drug or its pharmacological class, or paradigm shifts in disease diagnosis or management recognized by the scientific community and the Agency. On its own initiative, or at the request of a sponsor, the Agency may choose to seek advice from a panel of qualified experts, through the established scientific Advisory Committee process, to assess any new scientific issues with the goal of making regulatory decisions that are consistent with the most current data and knowledge.
Notably, since 2007, FDA has entered into almost 1000 SPA agreements, and has only

rescinded 10.

Mr. Farr: Where safety is not an issue, how does FDA rescind a SPA based on scientific evidence that was not available at the time the SPA was granted? If we use this logic we'd be forever double guessing ourselves and looking backward.

Response: Combined with previous question.

Mr. Farr: Where FDA believes that a substantial scientific issue has been identified and it meets the statutory test, it would seem to me that FDA is under an obligation to notify the sponsor in a timely manner. Do you agree?

Response: The Agency makes every effort throughout the drug development process to communicate to sponsors any concerns regarding relevant new information that may affect FDA's thinking regarding an SPA agreement as soon as it is appropriate and feasible for the Agency to do so. Such information could include evolving understanding of protocol design, knowledge of ongoing clinical trials, or the accrual of data regarding other drug development programs in the same, or similar, pharmacological class.

QUESTIONS SUBMITTED BY RANKING MEMBER LOWEY

Genetically Modified Organisms (GMO)

The Federal Food Drug and Cosmetic Act of 1938 was written by Congress to prevent misleading labeling or advertising by clarifying that a food is misbranded if it omits significant "material" information. Under the FFDCA, FDA's authority to require labeling based on production processes goes well beyond the agency's antiquated definition of "material" facts. For example, when issuing its rule requiring irradiated foods to be labeled, FDA stated in broad terms that FDA decisions to require labeling are not just based on the physical changes to the food, but also on whether that information is important to consumers, and whether the omission of that information on a label may mislead a consumer.

Mrs. Lowey: Why has FDA maintained a no-labeling policy for GE foods, which contradicts this statute as well as this past FDA precedent?

Response: FDA's 1992 Statement of Policy explained that foods derived from new plant varieties, including genetically engineered (GE) plants, are regulated within the existing framework of the Federal Food, Drug, and Cosmetic Act, FDA's implementing regulations, and current practice, utilizing the same approach applied to food developed by traditional plant breeding. We found no basis to conclude that foods derived from new plant varieties, as a class, differ from other foods in any meaningful or uniform way or pose any different or greater safety concern than foods developed by traditional plant breeding.

Food manufacturers may indicate through voluntary labeling whether foods have or have not been developed through genetic engineering, provided that such labeling is truthful and not misleading. In 2001, we issued draft guidance to industry to help food manufacturers who wish to voluntarily provide such information to help ensure that such labeling is truthful and not misleading. FDA has considered the comments we received and is revising the draft guidance with the goal of publishing a final guidance document that will better assist food manufacturers who want to provide such labeling statements.

We have received citizen petitions about the labeling of GE foods. We are considering those petitions and have not made a decision regarding them.

Mrs. Lowey: Why has FDA kept up an informal "policy" rather than addressing this issue in a rulemaking?

Response: We are reviewing the citizen petitions and the public comments we have received on this issue, and at this time, have not made a final decision.

In October 2011, a formal legal petition was filed with the FDA on behalf of over 650 organizations and businesses to require the labeling of GE foods. Since that time over 1.4 million public comments have been submitted to the petition docket in support of labeling.

Mrs. Lowey: When and how does the FDA plan to respond to the legal petition?

Response: FDA is reviewing this citizen petition, and at this time, has not made a decision on the petition.

FDA's labeling policy for GE foods—which it claims comports with OECD's "substantial equivalence" concepts for biotechnology—rests partly on its long-held misconception that GE foods do not "differ from other foods in any meaningful or uniform way." However, GE foods produced using recombinant DNA technology must differ meaningfully from their conventional counterparts because they are patentable. The U.S. Patent Office has granted many patents for novel genes and novel biotechnological tools used to develop genetically engineered plants. These novel genes and tools indisputably make the corresponding GE plants and the food we eat novel.

Mrs. Lowey: Will the FDA please describe why it believes that GE foods and the recombinant DNA techniques that produce them are novel enough to be patentable, and therefore are substantially different from traditionally produced foods but traditional for labeling purposes?

Response: The issue of patentability as it relates to food labeling is raised in the citizen petition you reference. We are reviewing the citizen petition, and at this time, have not made a decision on the petition.

Mrs. Lowey: Has the agency made a decision whether to require labeling for the proposed GE salmon, if it is approved by FDA for commercial use? If the agency does, how will it affect the labeling of other current GE products? Would it not be inconsistent to require labeling for the GE salmon but not for existing GE plant-based foods?

Response: FDA has not made a decision on whether to approve the new animal drug application related to the AquAdvantage Salmon. If we approve the application relating to AquAdvantage Salmon, we will evaluate all relevant data and information available to the agency within the context of FDA's legal authority relating to food labeling. FDA will then determine whether food from AquAdvantage Salmon requires labeling different from that of other farmed Atlantic salmon.

QUESTIONS SUBMITTED BY CONGRESSWOMAN ROSA L. DELAURO

Trade – TPP

The United States Trade Representative is currently negotiating a Trans-Pacific Partnership Free Trade Agreement with 11 other Pacific Rim nations, including Vietnam.

In 2012, imported seafood products from Vietnam, the fifth largest exporter of shrimp to the United States, were refused entry 206 times by FDA because of concerns including filth, decomposition, drug residues, unapproved food additives and Salmonella.

Although most seafood is already duty-free under the WTO's Most Favored Nation tariff bindings, FTAs have led to further increases in U.S. seafood imports and your agency will be responsible ensuring the influx of seafood from Vietnam and other TPP nations is safe if a deal is completed.

Ms. DeLauro: In what way does the budget proposal you have in front of us today prepare for that?

Response: Over the past 15 years, FDA has seen an annual increase in the volume of food imported into the country. We expect those increases to continue and our budget request takes that into account. Consequently, if TPP were ratified, we would expect only an incremental increase in imported food from TPP countries over the increase that FDA already had projected.

USTR had been pursuing a technical consultation process for disputes related to food safety as part of the TPP negotiations. I think this technical consultation process would drain needed resources from our regulatory agencies thereby weakening food safety. Now, USTR is reportedly

pursuing a dispute settlement procedure when issues arise in this area, which I fear would further prevent regulators from being able to impose measures to protect food safety.

Ms. DeLauro: Can you share your views on the TPP negotiations, FDA's position on the technical consultation proposal and possible dispute settlement procedures, as well as elaborate on the role FDA has played in the negotiations?

Response: As a member of the interagency working group, FDA continues to work closely with USTR and other regulatory agencies to formulate U.S. positions in the TPP negotiations, including U.S. positions with respect to technical consultations and the potential application of dispute settlement to the Sanitary and Phytosanitary (SPS) chapter of the agreement.

With respect to the technical consultation mechanism, FDA fully supported this mechanism as an alternative to dispute settlement because it would provide FDA, and other regulators, an opportunity to resolve issues with our foreign regulatory counterparts without the influence of political or trade considerations. Using this mechanism, FDA could ensure that food safety is the primary consideration in resolving disputes and, in addition, could use these collaborations to help strengthen less developed food safety systems, which would increase the safety of food exported to our country.

FDA is open to considering the application of dispute settlement to the SPS chapter provided that the TPP dispute settlement mechanism does not apply to certain provisions, which FDA believes should be settled instead by the World Trade Organization, and that certain adjustments are made to the text to ensure that FDA's food safety authority is protected, including new authorities granted by Congress in the FDA Food Safety Modernization Act. FDA also has worked with USTR to establish a phased-in approach to any eventual agreement that would grant regulatory agencies time to make any necessary operational changes before being exposed to potential dispute settlement challenges. With these changes, FDA is confident that the agency will be able to take the necessary measures to ensure an appropriate level of protection for the American food supply. We continue to work with USTR in negotiations with TPP trading partners to ensure that these adjustments are adopted.

Antibiotic use in Food Animals

As you know, FDA has finalized Guidance for Industry #213, which asks animal drug companies to voluntarily change their antibiotic product labels so that they would no longer be approved for use in food animals to promote growth or increase feed efficiency. And, drug companies are also asked to change the products' marketing status such that they would no longer be available over the counter and will require a veterinary prescription for use in feed or water. It seems to me that the Department of Agriculture will be essential to successful implementation of this policy, even assuming all label changes go as planned. USDA has a vital role to play in sharing information about the human health risk of antibiotic overuse in agriculture and educating producers and veterinarians about alternatives to regular antibiotic use.

Ms. DeLauro: Can you tell me what USDA is planning with regards to assisting in the implementation of FDA's Guidance, especially with regards to any assistance you can provide to producers that would help them transition to a new, safer way of using antibiotics?

Response: FDA has worked with USDA throughout the development of FDA's current strategy, including co-sponsoring a series of public meetings in spring 2013 to provide the public with opportunities to discuss and provide critical feedback on the challenges faced by livestock producers and veterinarians as FDA phases in therapeutic use only and veterinary oversight of the therapeutic use of certain medically important antimicrobials, as recommended by Guidance for Industry (GFI) #213. During the implementation of Guidance for Industry (GFI) #213 FDA and USDA will continue to work together in a number of different areas such as developing enhancements to surveillance systems, promoting judicious use principles, and exploring alternatives to antibiotics. We would defer to USDA for further details about their plans.

Ms. DeLauro: What programs and departments at USDA are part of this work?

Response: FDA has worked with a number of components of USDA, particularly USDA's Animal and Plant Health Inspection Service (APHIS), Food Safety Inspection Service (FSIS) and Agricultural Research Service (ARS).

Thank you for your leadership on the issue of antibiotic resistance. While I support more comprehensive action to eliminate all inappropriate uses of medically important antibiotics in food animals, I appreciate the agency's efforts in this area and the publication of Guidance #213 in December. I hope the guidance will succeed in at least ending the use of these drugs for growth promotion, as well as initiate some veterinary oversight over other uses. I remain deeply concerned, however, that the agency appears to have no plan as of yet to rein in injudicious uses of these drugs for so-called "disease prevention," beyond encouraging veterinarians to prescribe them appropriately. I worry that because so many antibiotics will remain approved for both growth promotion and disease prevention, and because the agency is proposing weakening an existing veterinary oversight standard, there may be little change in overall use and antibiotic resistance will continue to get worse.

Ms. DeLauro: Can you tell me how the agency plans to tackle inappropriate use of antibiotics for disease prevention?

Response: FDA agrees that it is important to ensure that the use of these important drugs for prevention purposes is judicious and appropriately targeted to address specifically identified animal health risks. Once production uses are removed from the labeling of affected medicated feed products, such products can only legally be used for prevention purposes if the labeling of the product includes an FDA-approved prevention indication. If a medicated feed product were to be used for an unapproved disease prevention purpose, FDA could initiate action on the grounds that such use caused the drug to be unsafe under section 512(a) of the FD&C Act, 21 U.S.C. § 360b(a) and adulterated within the meaning of section 501(a)(5) of the FD&C Act, 21 U.S.C. § 351(a)(5).

In addition, acknowledging the importance of judicious use of antibiotics, GFI #213 outlines several important factors that veterinarians should consider when determining the appropriateness of a preventive use. These factors include whether a) there is evidence of effectiveness, b) such a preventive use is consistent with accepted veterinary practice, c) the use is linked to a specific etiologic agent, d) the use is appropriately targeted to animals at risk of developing a specific disease, and e) no reasonable alternatives for intervention exist. FDA believes veterinary oversight of these products is a critical element for ensuring that the above factors are considered in determining the specific situations where prevention use is necessary and appropriate. FDA intends to work with veterinary and animal producer organizations to reinforce the importance of these principles.

Ms. DeLauro: How the agency will ensure that veterinarians have appropriate antibiotic oversight and knowledge of farms when the federal standard for a proper veterinarian-client-patient relationship may be removed, as currently proposed in December?

Response: FDA is proposing to revise the definition of the term ''Veterinary Feed Directive'' (VFD) in § 558.3(b)(7) which currently includes a relatively prescriptive, federally-defined, code of veterinary professional conduct known as the veterinarian-client-patient relationship (VCPR). Specifically, FDA proposes to remove the explicit VCPR provision and replace it with the requirement that veterinarians ordering the use of VFD drugs must be ''in compliance with all applicable veterinary licensing and practice requirements.'' From a practical standpoint, this proposal would enable the veterinary profession and individual states to more appropriately align specific VCPR criteria with current practice standards, technological and medical advances, and other regional considerations.

This proposed revision is not intended to lower the standard for professional conduct by veterinarians. Instead of continuing to impose explicit, federally defined VCPR requirements on veterinarians using VFD drugs in their professional practice, these proposed revisions would, consistent with the approach to regulating veterinary professional conduct in the context of prescription animal drug use, recognize and appropriately defer to existing regulatory oversight standards for veterinary professional conduct. This includes VCPR standards that have been established by the veterinary profession and individual state veterinary medical licensing boards. FDA believes that state veterinary medical licensing boards are well suited for this role because of their unique perspective on factors such as the local availability of professional veterinary medical resources and the needs of their individual agricultural communities. However, while each state's veterinary medical practice code may be somewhat different, the practice of veterinary medicine in the United States is, to a great extent, guided by the American Veterinary Medical Association (AVMA) and its Principles of Veterinary Medical Ethics, which acts as a unifying standard for all veterinarians. AVMA's Principles of Veterinary Medical Ethics include an explicit VCPR provision.

Nutrition Facts Panel Proposed Rule

First, I commend FDA for its thoughtful proposal to revise the Nutrition Facts Panel label, and in particular appreciate the addition of a line for added sugars. Excessive refined sugar intake contributes to causing chronic diseases such as diabetes mellitus, cardiovascular disease, dental

decay, and obesity. This is a critical advance for progress on public health, and I urge the FDA to maintain this requirement as it finalizes the rule and to consider the addition of a daily value for added sugar.

Ms. DeLauro: If the agency requires additional funds to allow the Institute of Medicine or other body to determine a daily value for added sugars, please indicate that as well.

Response: We appreciate your support of FDA's proposed requirement to revise the Nutrition Facts label by including added sugars. We also appreciate your request to consider the addition of a daily value for added sugar.

The proposed rule would require declaration of "Added sugars" indented under "Sugars," to help consumers understand how much sugar is naturally occurring and how much has been added to the product. This proposal takes into account new data and information, including recommendations from federal agencies and information from other expert groups, citizen petitions, and public comments. For example, the Dietary Guidelines for Americans recommend reducing caloric intake from added sugars and solid fats because eating these can cause people to eat less of nutrient-rich foods and may also increase how many calories they take in overall. The Institute of Medicine also recommends decreasing the intake of added sugars.

At this time, there is no specific daily recommendation for added sugars. Whether the agency would pursue a study to determine a daily value will depend on agency priorities. Because of the time it takes to conduct a study, it is unlikely that a study could be completed before the rule is finalized.

After the comment period for the proposed rule closes on August 1, 2014, FDA will consider the comments received. We intend to continue to evaluate the latest science and information, including the 2015 Dietary Guidelines Committee Report, with respect to added sugars and the need to consider a daily value for added sugars. Including added sugars on the Nutrition Facts label would provide information to allow consumers, who want to limit their added sugar intake, to compare products based on the amount of added sugars per serving. Our proposed changes would provide information to assist consumers to make better-informed food choices to support a healthy diet.

In contrast to this very positive development, I was concerned to note only a very modest reduction on the daily value for sodium from 2,400 mg to 2,300 mg. Yet the Dietary Guidelines for Americans recommends that people over 50, African-Americans, and people with hypertension— or about two-thirds of adults—should limit themselves to 1,500 milligrams of sodium per day. Americans average about 4,000 milligrams of sodium per day. That level is causing about 100,000 more deaths per year from heart attacks and strokes than would occur if people were consuming 2,000 milligrams per day, according to an analysis by the Center for Science in the Public Interest (CSPI).

Ms. DeLauro: Why shouldn't FDA lower the daily value for sodium further to either 1,500 or, at the most, 2,000 mg daily?

Response: Since the release of the Institute of Medicine's (IOM) report outlining strategies to reduce sodium intake, FDA has been carefully considering the challenges involved in sodium reduction. In 2011, FDA and USDA's Food Safety and Inspection Service (FSIS) issued a Federal Register notice requesting input on a number of issues related to sodium reduction, including issues identified in IOM's report, to help us better understand current challenges and opportunities. We also co-sponsored a public meeting with other federal agencies to promote discussion of these issues. FDA is working with industry and other stakeholders to promote gradual, achievable, and sustainable reductions of sodium in the food supply, which would lead to a reduction in Americans' sodium consumption over time. We believe these efforts have built a strong foundation for future action. FDA is looking for ways to further encourage sodium reduction and has been working on the technical research and assessments for the development of draft guidance that would establish voluntary sodium target levels for packaged and restaurant foods.

As part of FDA's recently proposed revision of the Nutrition Facts Label, we recommended a daily value of 2,300 mg for sodium based on the tolerable upper intake level for sodium established in 2005 by IOM and current sodium recommendations from other consensus reports. The current daily value is 2,400 mg. A daily value of 2,300 mg is much lower than the average daily consumption in the U.S. today which is 3,400 mg/day based on data from NHANES. While FDA is proposing a daily value of 2,300 mg, it is asking for comment on whether a daily value of 1,500 mg would be more appropriate and alternative approaches for selecting a daily value for sodium. The comment period is open for 140 days and closes on August 1 , 2014.

Front-of-Package Labeling on Foods

The FDA has sponsored consumer research on front-of-package nutrition labels, and three years ago the Institute of Medicine recommended that the FDA mandate a uniform national system of FOP labels.

Ms. DeLauro: What has the FDA done on this issue since 2011, and when do you expect the FDA to propose a rule?

Response: Since 2011, our front-of-package (FOP) labeling activities have included reviewing industry programs. These include the Facts Up Front program, developed by the Grocery Manufacturers Association and the Food Marketing Institute, which discloses calories, saturated fat, sodium, and total sugar on the front of the food package. Another of these programs is Walmart's "Great for You" FOP labeling system for products meeting certain nutritional requirements. Further, FDA continues to monitor FOP labeling in the marketplace and will address any consumer protection or public health concerns about FOP labeling as appropriate.

In addition, we have worked with the Department's Office of the Assistant Secretary for Planning and Evaluation (ASPE) to contract for two FOP labeling studies conducted by RTI International. The first study, which was conducted in two parts, synthesized research and expert

opinion on FOP labeling (part 1) and analyzed nutritional algorithms for use in FOP labeling systems (part 2). Reports on parts 1 and 2 of the study were issued in February 2011 and May 2011, respectively. The objective of the second contracted study was to develop a plan for evaluating current and future FOP labeling systems. A report recommending criteria and methods for such evaluations was issued in September 2012.

FDA is evaluating information on FOP labeling and will continue working with the public to develop a regulatory approach. FDA solicited public input on FOP labeling in a series of notices published in the *Federal Register*. The docket numbers for the record: FDA–2010–N–0210, FDA–2009–N–0220, and FDA–2007–N–0198.

On March 3, 2014, FDA proposed amendments to the Nutrition Facts label. This is a needed first step for an FDA-supported FOP labeling system. An FDA approach for a FOP system would be informed by the Institute of Medicine's 2011 recommendations, experience with existing systems developed by industry, consumer research, public comment, and other information.

Trans Fat

Commissioner Hamburg, as you know the comment period has recently closed on FDA's proposal to revoke the GRAS determination for partially hydrogenated oils (PHOs). It is estimated that this public health intervention will prevent between 3,000 and 7,000 premature deaths a year. Local governments across the country have already taken the lead on this issue, and the food industry has already eliminated many uses of PHOs, showing that this can be done.

Ms. DeLauro: Will you commit to making a final determination by September 2014?

Response: On November 8, 2013, FDA published a notice in the Federal Register announcing its tentative determination that partially hydrogenated oils (PHOs) no longer meet the GRAS criteria. In the notice, FDA requested comments on its tentative determination as well as other issues associated with the tentative determination. The initial 60-day comment period was extended an additional 60 days and closed on March 8, 2014. FDA received over 1,500 comments in response. Many of the comments raise complex scientific and legal issues. After a complete evaluation of the comments received and other available information, FDA will publish any final determination regarding PHOs. Although we cannot predict when any final decision will be reached, reduction in *trans* fat in the U.S. food supply from PHOs remains an FDA priority.

Whole Grains and Characterizing Ingredient Labeling Authority

In addition, on the labeling issue, we all know that whole grains are healthier than processed or refined flour. But we've seen considerable consumer confusion created by misleading food labels and names, which obscure whether whole grains are a significant part of many grain-based foods. While many products have "multi-grain" or "whole-grain" in the name, you'd have to be a very attentive label reader to figure out that the percentage of whole grains in these product is miniscule. Some groups had called for mandatory disclosure of the percentage of whole grains in all grain products as part of the labeling revisions FDA is reviewing, but this was not mentioned in the agency's proposal.

Ms. DeLauro: What is FDA doing about this important public health problem?

Response: In February 2006, FDA published draft guidance on the use of whole grain statements on food labels. Since that time we have been making progress on finalizing the guidance and, as part of this process, are seeking the Office of Management and Budget's final approval to conduct consumer research about the use and understanding of whole grain label statements. After we complete the research and evaluate the findings, we will be in a better position to anticipate when a final guidance will publish.

We are pursuing the non-misleading labeling of whole grains under our authority to ensure food products are labeled accurately and not misbranded. Ensuring the accurate labeling of whole grains may help consumers make better-informed food choices that will support a healthy diet.

In connection with this problem, I would like to quote from a section of your rules pertaining to FDA's general authority on food labels. 21 CFR section 102.5 (b) of the regulations states that "The common or usual name of a food shall include the percentage(s) of any characterizing ingredient(s) or component(s) when the proportion of such ingredient(s) or component(s) in the food has a material bearing on price or consumer acceptance or when the labeling or the appearance of the food may otherwise create an erroneous impression that such ingredient(s) or component(s) is present in an amount greater than is actually the case."

As I read this section, which seems clear enough, the FDA currently has a powerful tool to ensure that foods are not misleadingly labeled to seem healthier than they are. Some examples of this problem in addition to the whole grains issue I just described include so-called "fruit snacks" intended for children that contain very little or no actual fruit, or "veggie chips" without much, if any, healthy vegetables in them. It seems to me that there are numerous products which are misleadingly labeled so as to appear healthier than they really are.

Ms. DeLauro: What is FDA doing to enforce this provision in current law? What more can and should you do, given the public health implications?

Response: Thank you for raising this issue with us. We take false and misleading labeling seriously and agree that a product label should accurately reflect the product contents. We evaluate labeling concerns, such as the particular issue you raise, on a case-by-case basis.

As previously mentioned, we plan to conduct consumer research on how consumers perceive the labeling of whole grains. The research will help us determine whether the proportion of grains in the food has a material bearing on consumer acceptance or when the labeling may create an erroneous impression that such ingredients are present in an amount greater than is actually the case. After we conduct the research, we will be in a better position to finalize our 2006 draft guidance on whole grain label statements.

Currently, manufacturers can make factual statements about whole grains on the label of their products, such as "10 grams of whole grains," "½ ounce of whole grains," and "100% whole grain oatmeal" , if the statements are not false or misleading and do not imply a particular level

of the ingredient, such as "high" or "excellent source." Other whole grain statements are viewed on a case-by-case basis.

Currently, we do have food standards for whole wheat bread, rolls, and buns and whole wheat macaroni products made from whole wheat flours.

Energy Drinks

I and many of my colleagues have been truly alarmed by the reports in the media and elsewhere concerning deaths and injuries that have been linked to energy drinks, which contain caffeine and other stimulants, in addition to sugar and artificial dyes. The FDA announced last spring that there were 18 deaths connected in some form to these beverages, and that it planned to investigate.

Ms. DeLauro: What has been done since that time to look into the causes of these incidents?

Response: FDA received reports of 18 deaths that named 5-hour Energy and reports of six deaths that named Monster Energy drinks. Energy drinks may be marketed as either conventional foods (beverages) or dietary supplements, depending on a variety of factors. To increase our understanding of the public health issues involving caffeine and other stimulants in energy drinks, FDA has taken numerous actions, such as reviewing adverse event reports associated with energy drinks; conducting inspections that included the review of adverse event reports at firms that manufacture energy drinks; and analyzing samples of caffeinated energy drinks to determine the amount of caffeine present.

Between January 1, 2008, and December 31, 2012, FDA received reports of a total of 1,391 adverse events related to dietary supplements containing caffeine and other stimulants. FDA reviewed all of those reports and was unable to establish direct causality. The majority of these reports contained sparse information limited to providing the consumer's age, the supplement consumed, the gender of the consumer, and that the event involved a product that contained caffeine. Critical missing information included: how long the consumer had been taking the supplement, whether the consumer was using any medications at the time of the adverse event, and if there were any underlying medical condition(s) that may have been the cause or contributed to the adverse event.

In July 2013, FDA initiated a nationwide field assignment to inspect manufacturers of energy drinks, to collect adverse events from facilities inspected for review, and to collect samples of caffeinated energy drinks to test for caffeine content. Thirty-eight samples were tested to provide information on caffeine content. FDA is considering what additional action(s) may be warranted.

At the request of FDA, in August 2013, the Institute of Medicine (IOM) held a public workshop on caffeine in food and dietary supplements. IOM issued a report on their findings in January 2014. The objectives of the workshop were to: (1) evaluate the literature on important health hazards associated with caffeine consumption; (2) identify vulnerable populations, their exposure, and associated risks; and (3) explore safe caffeine exposure levels for general and vulnerable populations and identify data gaps.

The IOM report concluded that the marketing of caffeine to consumers in novel products raises new questions about caffeine intake, the consequences of caffeine exposure, and individual and population variability. Data gaps exist with respect to actual exposure levels, particularly among children and adolescents. The scientific evidence on the effects of caffeine on the cardiovascular system, central nervous system, and behavior is varied and incomplete. Little is known about the interactions between caffeine and other ingredients in caffeine-containing foods and dietary supplements and whether and how those interactions might alter the health effects of caffeine exposure. Workshop participants discussed the urgency of cardiac signals observed in adolescents and the participants suggested ways to improve the collection of exposure and outcome data. FDA is reviewing the scientific information and expert input contained in the IOM's workshop summary.

In addition, I understand that there is a limitation on the amount of caffeine that can be put into soda-type drinks under FDA rules. Energy drinks are sold next to sodas, are consumed like sodas are as a recreational beverage, and are marketed to children and adults in ways that are similar to sodas. Many people may be confused and in fact believe that the caffeine levels in the two types of drinks are similar, when there can be four to five times as much caffeine in a single-serving energy drink than in a soda under federal law.

Ms. DeLauro: To address both health concerns and consumer confusion, why doesn't FDA simply limit the caffeine content of energy drinks to that of sodas?

Response: While FDA does have a regulation that recognizes a certain level of caffeine as "generally recognized as safe" for use in cola-type beverages, that regulation does not prohibit higher levels of caffeine in cola-type beverages or in other sodas. While FDA could promulgate a regulation to limit the amount of caffeine in various products, there would need to be a science-based, safety reason to do so. For the majority of consumers, the negative health consequences of over-consuming caffeine are mild and transient, and include symptoms such as jitters, nervousness, and sleep disturbances. Further, these symptoms vary greatly within the population with some individuals being relatively insensitive to caffeine (the folks who can go to sleep immediately after drinking a mug of coffee) to the individuals who are very sensitive to caffeine. Most people quickly learn their own personal caffeine limitations and alter their behavior accordingly. Limiting the amount of caffeine in "energy drinks" may also have an unintended consequence; for those people who are seeking the extra caffeine (above what is in a traditional soda), limiting caffeine in "energy drinks" may lead them to drink additional servings of these products to get the same caffeine effect (and result in them consuming more calories).
In addition, for the caffeine-seeking consumer, there are currently many innovative, caffeinated beverages on the market to choose from. As noted in the question, a typical grocery store shelf of canned beverages often has traditional sodas alongside "energy drinks." However, these same shelves also contain specialty canned (or bottled) sweetened coffee and tea beverages intended to be served cold, like a soda. These specialty coffee and tea beverages contain caffeine, typically at levels above what would be found in a traditional soda. Consumption of these beverages is not limited to adults. A recent scientific publication noted that adolescents have been increasing their consumption of coffee and tea beverages while decreasing their consumption of soda (Branum, AM, et al., Trends in Caffeine Intake among US Children and Adolescents, March 2014,

Pediatrics). This same publication reports that the overall caffeine intake among children and adolescents did not increase from 1999 to 2010.

Conflicts of Interest Related to "Ingredients are Generally Recognized as Safe"

I noted with alarm the research from the Pew Charitable Trusts that found a high degree of conflicts of interest and food industry ties among scientists that work for companies seeking to determine the safety of new ingredients under FDA's rules. The study grappled with the documents actually submitted to FDA as part of the determination that an ingredient is "generally recognized as safe," (GRAS) and did not even address the deeper problem concerning the lack of oversight when food companies self-determine the GRAS status of ingredients without any notification to FDA at all.

Ms. DeLauro: What is the agency doing about the issue of conflicts of interest among the scientific community charged with assuring the safety of the food supply?

Response: Guidance on the potential conflict of interest for experts participating on GRAS panels is a priority for the agency. FDA has prioritized the publication of draft guidance on this issue in 2014 (Program Goal 1.1.13 of FDA's Center for Food Safety and Applied Nutrition Plan for Program Priorities, 2013 -2014.

Compounding Drugs

Thank you for your testimony, Commissioner Hamburg. There are a couple of issues surrounding compounding pharmacy oversight that I would like to follow up on. As you know, I have been an advocate for strong federal oversight and improved monitoring of adverse events related to drug compounding and have expressed concerns about ensuring quality and safety.

Ms. DeLauro: Does the agency have sufficient resources to adequately oversee compounding pharmacies, particularly 503A traditional compounding pharmacies, which will not be paying registration fees but may nevertheless be engaged in illegal drug manufacturing, dispensing adulterated drugs, and other activities that require FDA oversight and enforcement action?

Response: The FY 2015 President's Budget includes a request of $25 million to enhance pharmacy compounding oversight activities. The requested resources will support inspections of compounding pharmacies under section 503A, policy development activities related to sections 503A and 503B, and state collaboration and coordination. Without the requested resources, FDA's capacity to expand its oversight of pharmacy compounding may be limited.

Resources are essential, but it is important to note that resources alone are not necessarily sufficient to prevent bad actors from continuing to evade the requirements of the Act and compromise patient health. FDA will continue to be hampered in its ability to proactively identify pharmacies that use dangerous compounding practices if they seek to hide out in the traditional compounding category. In addition, the lack of clarity over who is primarily responsible for regulating that pharmacy that exists under current law remains.

If FDA inspects a pharmacy that has not registered as an outsourcing facility (for example, if FDA becomes aware of an adverse event associated with the pharmacy's products), FDA will have to determine whether the pharmacy is operating in compliance with existing section 503A. If they are not, they will be subject to the same requirements as a conventional drug manufacturer. But the pharmacy may be operating in accordance with the conditions of section 503A for some products (e.g., getting prescriptions, using appropriate bulk drug substances to make those products) and violating the conditions of section 503A with other products (e.g., copying commercially available products, compounding drugs on the difficult to compound list). In such a case the question of who is primarily responsible for regulating the pharmacy when it is not registered with FDA as an outsourcing facility remains.

We intend to continue proactive risk-based surveillance, follow-up, and for-cause (in response to serious adverse event reports and reports of quality problems) inspections of compounders, including firms registered under section 503B to identify those with deficient sterile compounding practices. We plan to take action, including enforcement actions, as appropriate to protect the public health.

We are also developing our relationships with the states, and will encourage states who identify compounders that are operating outside of the conditions in section 503A to bring them to our attention so we can take appropriate action.

As the FDA continues to implement the Compounding Quality Act, there a couple of items regarding facility registration that I would like to follow up on.

Ms. DeLauro: How many compounding pharmacies to date have voluntarily registered with the FDA? For the compounding pharmacies that have registered with FDA, has the agency inspected operations? Are there inspections planned?

Response: As of March 6, 2014, 32 firms have voluntarily registered as outsourcing facilities under section 503B of the FD&C Act. FDA is first inspecting outsourcing facilities that have not been recently inspected, and then will conduct follow-up inspections of registered outsourcing facilities that were inspected by FDA within the past year and a half.

Breast Density Reporting

In November 2011, the National Mammography Quality Assurance Advisory Committee recommended that information related to an individual's breast density should be included in the mammogram patient report and physician report. Subsequently, a Breast Density Reporting amendment to the Mammography Quality Standards Act was scheduled as a notice of proposed rulemaking in December 2013.

Ms. DeLauro: Can you please update the Committee of the status and timeline of the proposed rulemaking and amendment regarding notification of breast density in the patient letter?

Response: FDA is in the process of preparing the proposed rulemaking for review by the Administration.

E-Cigarette Deeming Rule

I understand that the FDA has recently launched its new initiative to curb adolescent nicotine use featuring targeted messaging designed for at-risk youth. I support regulation of a new frontier in nicotine products: electronic cigarettes. The facts are disturbing: a growing number of our nation's youth are using electronic cigarettes, which provide the latest method for delivering addictive nicotine into their systems. The Food and Drug Administration (FDA) must take decisive and important measures to issue regulation that reins in the advertisement, sale to minors, and chemical composition of electronic cigarettes.

It is important that the FDA as a whole shares the same vision for public health. What happens in one arm of the FDA ought to be aligned with the other.

FDA has the authority and responsibility to move quickly to regulate e-cigarettes under the Tobacco Control Act – and should do so immediately.

Ms. DeLauro: Please tell us where you at in the process of issuing the deeming rule.

Response: On April 25, 2014, FDA announced its proposed rule to expand its authority over additional products that meet the statutory definition of "tobacco product," such as e-cigarettes (79 FR 23142). This proposed rule is the first step toward establishing an appropriate regulatory framework for these products.

Once FDA finalizes this rulemaking, some provisions in the FD&C Act would then automatically apply to all "deemed" tobacco products (e.g., industry registration, product listing, ingredient listing, user fees for certain products, and the adulteration and misbranding provisions of the statute). Once deemed, FDA then could consider taking actions related to the use of flavors attractive to youth, the growth of e-cigarette advertising in mainstream media, and the increasing consumption of e-cigarettes by youth.

Conflicts of Interests on Drug and Device Advisory Committee Panels

Commissioner Hamburg, as you know, I have a history of concerns over the influence of industry in the drug approval process. FDA Advisory Committees hold tremendous responsibility as representatives of the research community whose role is to review new drug applications and make appropriate recommendations that protect patients and consumers form unsafe and ineffective drugs. Accordingly, it is essential that these individuals have the interest of the public good as their main priority.

Ms. DeLauro: What specifically is the FDA doing to increase the percentage of physicians on advisory committees and advisory panels who have no conflicts of interest with pharmaceutical and medical device companies?

Response: When considering appointments to an advisory committee, FDA seeks highly expert advisors with the least potential for conflicts of interest. Because some of the best experts that we seek are also sought out by industry, some of our members may have potential conflicts.

The agency determines whether a member has a conflict of interest when a meeting is scheduled and the meeting topic, or particular matter, has been identified. FDA conducts a careful, individualized screening for potential conflicts of interest in preparation for each advisory committee meeting. The agency thoroughly analyzes all reported interests.

As reported in the fiscal year 2013 Annual Report to Congress on FDA Advisory Committees and Vacancies, very few members of FDA advisory committees had conflicts of interest. In 2013, FDA granted waivers for conflicts of interest to less than one percent of its advisory committee members. Over a 4 year period from 2010 to 2013, FDA granted, on average, waivers to less than one percent of members. Regarding attendance, the 2013 data shows that only 5 percent of individuals contacted to participate at committee meetings did not attend due to the potential for a conflict of interest, whereas 36 percent declined to attend for reasons other than a conflict of interest.

FDA recently significantly improved outreach and recruitment by launching a new web portal in January 2014 to receive nominations for vacancies on committees. The fully electronic system has increased the overall pool of candidates and has streamlined the management of all nominations. The website now also points visitors to a brief tutorial on financial conflicts of interest so that potential candidates can learn about this important topic.

Submission of Unverified Data to FDA Advisory Committees

The rules governing FDA Advisory Committee meetings require all material be submitted in advance, including all data that will be discussed by the panel. However, at several recent FDA Advisory Committee meetings, sponsors have -- with FDA's permission -- presented new data that the FDA had not vetted. As a result, the sponsors have been able to convince Advisory Committee members that the new, unvetted data indicate that the products' benefits outweigh risks. For example, unverified data was submitted at the ophthalmic devices advisory panel meeting on March 14 and the microbiology devices advisory panel meeting on March 12. Both committees subsequently supported approval.

Ms. DeLauro: Why is the FDA allowing the submission of unvetted data to Advisory Committees? It goes against the Code of Federal Regulations and FDA Guidance Documents and undermines the usefulness of the scientific review by FDA staff.

Response: 21 CFR Part 14 (titled Public Hearing Before a Public Advisory Committee) does not require, that all materials be submitted to the applicable advisory committee prior to a meeting. The regulations also do not limit presentation of information not previously reviewed by the agency. Questions from committee members may be clarified by information not already available to them in the briefing package provided before each meeting.

Material presented at advisory committee meetings provides relevant scientific information that allows a committee to provide informed advice. If the agency is aware of information not previously submitted to FDA that is being presented at a meeting by a sponsor, and if that information is not simply a response to a question raised by the committee, the agency will alert the sponsor and announce to the committee and the public that the information has not been reviewed by FDA. All of the information presented will become part of the record of the Advisory Committee meeting.

If the information being presented is more than minimal, the sponsor may be asked to discontinue presenting the information and to move on to material that has previously been reviewed by the agency.

FDA advisory committees consider all aspects of a meeting. In order to provide informed advice to the agency, the committee is provided with the briefing package before the meeting. During the meeting the committee hears information presented by the agency, the sponsor (if applicable), and members of the public. Accordingly, committee deliberations are based on a range of information beyond that which the sponsor may newly present at the meeting. While advisory committees provide recommendations to the agency, the Commissioner has sole discretion concerning action to be taken and policy to be expressed on any matter considered by an advisory committee (21 CFR 14.5(b)).

QUESTIONS SUBMITTED BY CONGRESSMAN REP. SANFORD D. BISHOP, JR.

Your total funding request of $4.74 billion includes $2.16 billion (45.5%) for user fees. This proposed budget is $358 million above the FY 2014 Enacted level. Of this increased amount, $23 million is for budget authority and $335 million is for new user fees, most of which are intended for:

- Food Safety: $240 million
- Medical Product Safety: $61 million

Historically, Congress has not been supportive of user fees.

Mr. Bishop: What will be the impact on the programs/activities funded by the proposed user fees if they not authorized? How will you prioritize your programs based on availability of funds?

Response: Without the additional funding FDA will be able to issue the FSMA rules, but will unable to effectively implement them, and improve food safety. Without new resources FDA will not be able to effectively retrain inspectors, provide guidance and technical assistance to industry, partner with State agencies, and build the modern import safety system Congress mandated.

In terms of the proposed user fee funding specifically, FDA would be able to develop and expand the following activities:

- Improving and expanding FDA's inspections, with a focus on training state and local public health partners;
- Implementing the new import food safety system mandated by FSMA, including the proposed third-party auditor/certification body program and the new Foreign Supplier Verification Program;
- Improving the Agency's cross-cutting science infrastructure to expand FDA's research capacity to better detect contaminants and to improve scientific knowledge of food contamination and prevention;

- Developing an integrated national food safety system that allows FDA and the states to respond more rapidly to food safety problems, eliminates any unnecessary duplication of regulatory activities, and establishes shared regulatory standards to ensure consistent oversight;
- Expanding FDA's outbreak response capacity to identify sources of foodborne illness more rapidly, thus greatly reducing the impact of such outbreaks on public health and the economy;
- Implementing a risk-based resource allocation system to help FDA ensure effective and efficient interventions; and,
- Developing a modern Information Technology capacity to support risk analysis, effective resource allocation, and increased communication with FDA's regulatory partners.

The fungal meningitis outbreak associated with a compounded sterile drug that resulted in 64 deaths and over 750 cases of infections across 20 States in 2012 could have been prevented had stricter monitoring and testing systems been in place. You are requesting $25 million in budget authority to enhance pharmacy compounding oversight activities in FY 2015.

Mr. Bishop: How confident are you that your enhanced oversight activities will prevent further disease outbreaks arising from contaminated compounded drugs?

Response: The FY 2015 President's Budget includes a request of $25 million to enhance pharmacy compounding oversight activities. The requested resources will support inspections of compounding pharmacies under section 503A, policy development activities related to sections 503A and 503B, and state collaboration and coordination. Without the requested resources, FDA's capacity to expand its oversight of pharmacy compounding may be limited.

Resources are essential, but it is important to note that resources alone are not necessarily sufficient to prevent bad actors from continuing to evade the requirements of the Act and compromise patient health. FDA will continue to be hampered in its ability to proactively identify pharmacies that use dangerous compounding practices if they do not register as outsourcing facilities under section 503B of the FD&C Act. In addition, the lack of clarity over who is primarily responsible for regulating that pharmacy that exists under current law remains.

If FDA inspects a pharmacy that has not registered as an outsourcing facility (for example, if FDA becomes aware of an adverse event associated with the pharmacy's products), FDA will have to determine whether the pharmacy is operating in compliance with section 503A. If they are not, they will be subject to the same requirements as a conventional drug manufacturer. But the pharmacy may be operating in accordance with the conditions of section 503A for some products (e.g., getting prescriptions, using appropriate bulk drug substances to make those products) and violating the conditions of section 503A with other products (e.g., copying commercially available products, compounding drugs on the difficult to compound list). In such a case the question of who is primarily responsible for regulating the pharmacy when it is not registered with FDA as an outsourcing facility remains.

We intend to continue proactive risk-based surveillance, follow-up, and for-cause (in response to serious adverse event reports and reports of quality problems) inspections of compounders, including firms registered under section 503B to identify those with deficient sterile compounding practices. We plan to take action, including enforcement actions, as appropriate to protect the public health.

We are also developing our relationships with the states, and will encourage states who identify compounders that are operating outside of the conditions in section 503A to bring them to our attention so we can take appropriate action.

Mr. Bishop: How will you encourage state governments and boards of pharmacy to cooperate fully with FDA in the implementation and enforcement of the Drug Quality and Security Act?

Response: We are developing our relationships with the states, and will encourage states who identify compounders that are operating outside of the conditions in section 503A to bring them to our attention so we can take appropriate action. On March 20-21, 2014, we convened an inter-governmental working meeting of state government officials, including officials from the District of Columbia and Puerto Rico.

Attendees included officials from Boards of Pharmacy, Health Departments, the Centers for Disease Control and Prevention (CDC), and representatives from organizations that represent state officials, including the National Association of Boards of Pharmacy (NABP), the Association of State and Territorial Health Officials (ASTHO), and the National Conference of State Legislatures (NCSL).

The purpose of this meeting was to identify opportunities to better protect the public health by strengthening oversight of compounders, including through improved federal-state collaboration. With respect to other plans FDA has to increase communication with the states, FDA continues to collaborate with the states on inspections of compounders and notifies the states of inspectional observations.

Through continuing efforts such as these, FDA hopes to develop close collaborative relationships with the states in the oversight of compounding activities.

I am sure we can all agree that the old adage *"an ounce of prevention is worth a pound of cure"* still holds true despite technological advances in drug manufacturing.

Mr. Bishop: Are education and training programs for drug compounders (including plant workers and laboratory personnel) included in your oversight activities?

Response: Education and training is an area of concern for FDA. In fact, the Agency is working diligently to publish a draft guidance on current good manufacturing practice (CGMP) requirements for outsourcing facilities under section 503B of the Federal Food, Drug, and Cosmetic Act, which will include information on personnel training. FDA does not have the resources to offer training to outsourcing facilities on how to comply with CGMP requirements.

Outsourcing facilities should seek the help of industry consultants if they need such guidance or training.

Of the $1.48 billion you are requesting for food safety, $24 million is allocated for the implementation of the Food Safety Modernization Act (FSMA) which President Obama signed into law in 2011. I understand this new law calls for more frequent and risk-based inspections of foods and facilities and establishes science-based standards for the safe production and harvesting of fruits and vegetables. The FSMA also requires food facilities to have a written plan that spells out the possible problems that could affect the safety of their products and an outline of steps that the facility would take to help prevent those problems from occurring. It seems like these provisions are patterned after the USDA Food Safety Inspection Service (FSIS) Hazard Analysis Critical Control Points (HACCP) plan which went into effect in poultry processing and other meat plants in 1999. It appears that USDA and FDA may have overlapping responsibilities in ensuring the safety of our food supply in the "farm to fork" continuum.

Mr. Bishop: How do you enhance cooperation and collaboration between FDA and USDA to ensure that your roles are complementary and not overlapping?

Response: FDA and USDA have a long history of working together to ensure food safety. FDA's new Preventive Controls proposed rules for Human Food and Animal Food implement the requirements in FSMA to establish preventive controls regulations that are consistent, to the extent practicable, with FDA's HACCP rulemakings for seafood and juice as well as USDA's regulations for HACCP for meat and poultry products. USDA is responsible for overseeing the safety of meat and meat products, poultry and poultry products, and egg products and also has a more recently established role in catfish safety. FDA is responsible for the safety of all other food products. FDA and USDA recently signed a Memorandum of Understanding (MOU) related to the transition of authority for catfish oversight from FDA to USDA to ensure that it is smooth and orderly. The agencies already have an MOU on dual jurisdiction facilities that establishes the role of each agency in a facility that produces both FDA- and USDA-regulated products. The MOU covers coordination between the agencies regarding such facilities, including information sharing in the event that a food safety problem is noted by either Agency while in a dual jurisdiction facility. As FDA finalizes and implements its new HACCP-based preventive controls regulations, it will continue to collaborate with USDA to ensure food safety.

Mr. Bishop: What are the weak links in the FSMA that may have led to the recent *E. coli* O157 contamination of pre-packaged salads, *Salmonella* and *Listeria* contamination of cheese products, and *Listeria* contamination in cantaloupe?

Response: The preventive controls framework envisioned in FSMA has not been implemented yet. When that framework is in place, we estimate that a significant number of foodborne illnesses and outbreaks will be prevented, though no system could completely eliminate foodborne illness. FDA has proposed the seven foundational rules that will establish the broad preventive controls framework, and will be issuing final rules in 2015 and early 2016. When the covered facilities and farms come into compliance with those rules, the result will be a modern food safety system that produces safer food. To help industry, especially small producers and processors, come into compliance, FDA is planning to do significant education, outreach, and

technical assistance, and has established several food safety-related Alliances to begin that work. However, additional resources are critical to fully implement the statute and assist industry in coming into compliance with the new standards in order to realize the full benefits of FSMA.

While I applaud FDA's recent efforts to help phase out the use of medically important antimicrobials in food animals for production purposes (e.g., to enhance growth or improve feed efficiency), and to bring the therapeutic uses of such drugs (to treat, control, or prevent specific diseases) under the oversight of licensed veterinarians, particularly with the recent release of Guidance #213, it appears that you are "reinventing the wheel" when it comes to your plan *"to collect [antibiotic] use data and conduct other research to better understand antimicrobial drug use practices in animals and the public health impacts on antimicrobial resistance."*

Mr. Bishop: Is this not a duplication of the National Antimicrobial Resistance Monitoring System (NARMS) which was established in 1996 as a partnership between FDA, the Centers for Disease Control (CDC), and USDA to track antibiotic resistance in foodborne bacteria?

Response: Collecting detailed antibiotic use data in food animal production is a priority for FDA. NARMS does not track use data; it tracks antibiotic resistance in foodborne bacteria. The absence of good antibiotic use data has hampered our ability to evaluate the relationship between antibiotic use practices and resistance trends identified based on data obtained from NARMS. Resistance data are currently not linked to or associated with data on antimicrobial drug use. While not part of NARMS, annual sales information by antimicrobial class is collected by FDA-CVM from drug sponsors as part of ADUFA Section 105. However, this information does not adequately represent actual use on farm. No information on the history of antimicrobial use is available for the slaughter plant and retail meat portions of NARMS. Once these links are understood in better detail, research may elucidate the mechanisms of resistance, and the means by which resistance spreads. Collection of antibiotic sales information and on-farm use data will lay the groundwork for assessing how different antimicrobial drug use practices in animals affect public health.

Mr. Bishop: What is the status of the Food and Drug Administration Safety and Innovation Act (FDASIA) which was signed into law on July 9, 2012?

Response: The agency is committed to implementing the requirements of FDASIA in a way that provides lasting improvements to public health and we will meet these objectives as quickly as resources allow. To help the public keep track of our progress we have established a FDASIA web portal: that includes a link to our three year implementation plan, which we update on a regular basis. This information provides more extensive detail on the status of FDASIA implementation; some examples are provided below.

One of FDA's major undertakings since July 2012 has been putting in place the infrastructure for a new generic drug user fee program that will expedite the review of low-cost, high quality generic drugs. The program has already achieved several significant milestones, including reducing the backlog of generic drug applications, enhancing review efficiencies, and streamlining hiring. Likewise, reauthorization of the medical device user fee program has helped

to expedite the availability of innovative new products to market, and the program has already seen a decrease in the application backlog for device submissions.

In the area of innovation, we launched the new breakthrough therapy designation for drugs where preliminary clinical evidence indicates that the drug that may offer a substantial improvement over existing therapies for patients with serious or life-threatening diseases and published guidance on the use of this and our other programs to expedite the development and review of new drugs to address unmet medical need in the treatment of a serious or life-threatening condition. In the area of engagement, we initiated the Patient-Focused Drug Development Program. The objective of this five-year effort is to more systematically obtain the patient's perspective on a disease and its impact on patients' daily lives, the types of treatment benefit that matter most to patients, and the adequacy of the available therapies for the disease.

Significant accomplishments include issuing a final rule to implement a unique device identifier (UDI) system that will greatly enhance patient safety. Nearly every device will be required to carry a unique identifier that can be read by some form of automatic data capture technology. This information will be entered into a new computerized database that will help identify products should recalls or adverse events occur. Also, FDA established a task force and developed a Strategic Plan to enhance the Agency's response to preventing and mitigating drug shortages. The proposed rule was published in October 2013. Under the permanent reauthorization of the pediatric drug development programs (the Best Pharmaceuticals for Children Act and the Pediatric Research Equity Act) (Title V of FDASIA) FDA has implemented the pediatric study plan requirements and issued draft guidance on the provisions.

In addition, Title VII of FDASIA is helping FDA take important steps to address the challenges posed by an increasingly global drug supply chain. For example, FDASIA has extended the agency's administrative detention authority to include drugs, and the agency has taken steps to implement this authority by issuing a final rule. In addition, the agency pushed for higher penalties for counterfeiting and intentionally adulterating drugs before the federal sentencing commission – and succeeded. .

There were several provisions in FDASIA that are relevant to rare diseases, such as the aforementioned breakthrough therapy designation and Patient- Focused Drug Development Program. In addition, FDASIA included the addition of a Rare Pediatric Disease Voucher Program, inclusion of additional profit incentives for certain Humanitarian Device Exemption (also known as HDE) approved devices, a provision to accelerate the therapies for pediatric rare diseases, and clarification of the Accelerated Approval provision.

One of the most important elements of FDASIA was to apply the lessons learned from meeting the needs of people HIV/AIDS and cancer by using Accelerated Approval to fast track therapies in the hands of patients who were otherwise facing a certain death sentence.

In FDASIA we directed the FDA to make use of this same authority to address the urgent needs of the orphan and rare disease populations.[1]

I have heard from constituents as well as from scientists in the Duchenne Muscular Dystrophy (DMD) community that there is the first potential therapy [***eteplirsen***] in the pipeline that could,

and in their view should, be considered for accelerated approval. Based on over 120 weeks of data, there have been no adverse effects to patients and strong signs of efficacy. Top scientists who have dedicated their careers to this disease say they've never seen results like these. Just like people with HIV/AIDS in the 80's, right now, children and young adults with Duchenne face certain death and there is no therapy. The longer these patients wait, the more muscle function and mobility they lose – capabilities that they can't get back.

Mr. Bishop: FDASIA's orphan and rare disease provisions would seem to apply to a condition like Duchenne – wouldn't you agree? What is the hold up and when will the FDA make a decision on how it will proceed?

Response: We recognize DMD to be a serious and life-threatening disorder and that there are currently no approved drugs specifically for its treatment. We also know that that, like many other rare diseases, there are substantial unmet needs for this disease, and we understand the urgent needs of the patients with DMD.

When a drug is intended for a serious or life-threatening illness in patients with unmet medical needs, FDA has demonstrated its willingness to work diligently with the drug's developer to help get the necessary evidence and, once marketing applications are submitted, to be flexible regarding the evidence required to support product approval. For example, in recent years, two-thirds of the orphan drugs approved by FDA were approved on the basis of evidence other than the traditional two or more clinical trials. About 50% of orphan drugs were approved on the basis of a surrogate endpoint.

Accelerated approval is one method to expedite review of a drug for serious or life-threatening conditions—generally, where there is a basis to believe that a surrogate endpoint is reasonably likely to predict actual benefit to the patient, but confirmatory trials establishing actual benefit are needed after approval. But we have not limited ourselves to that pathway, and can leverage a number of different programs to help a sponsor get a medically necessary drug through the development process even where accelerated approval is not available because there is insufficient information to believe that we have a surrogate that is likely to predict clinical benefit. DMD is also a serious and life-threatening disorder, and drugs intended to treat DMD may be eligible for one or more of FDA's programs intended to facilitate and expedite development and review of new drugs top address unmet medical need in the treatment of a serious or life-threatening condition , including Fast Track and Breakthrough designation, Priority Review, in addition to Accelerated Approval[4] (please see response to Q 63).). These other expedited programs can sometimes get a drug to market as fast as Accelerated Approval (or faster where the basic science to identify surrogate endpoints is lacking). Particularly when we are consulted early in the development process, we can help find the most expeditious clinical trial program that can support approval. Early consultation with FDA is associated with significantly shorter development time (that is, mean clinical development time was found to be

[4]Guidance for Industry, Expedited Programs for Serious Conditions—Drugs and Biologics. http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/UCM358301.pdf. 2013.

shorter for applications for which a pre-IND meeting was held than for those for which a meeting was not held). [5]

A large multidisciplinary team of FDA scientists has been assessing available data and information about eteplirsen and other drugs for the treatment of DMD. We continue to be actively engaged with sponsors and the patient community.

I am very concerned that the FDA has delayed action on therapy for children for a disease which a prominent scientist recently described publicly as worse than cancer, a disease which affects 1 in 3,500 boys that are born, children from every walk of life.[1]

Kids with Duchenne Muscular Dystrophy are diagnosed early in life and then live their short lives with the daily and progressive loss of muscle function and with a known death sentence.

Sitting before you for a decision is the first therapy that could help some of these kids and with approval of this therapy, surely it would open the floodgates to even more treatments.

I know you have heard and met with the community on this, but I want to make clear we are concerned about it as well. Accelerated approval isn't new. It's a well-proven approach that balances patient safety with the reality that there are NO approved treatment options for people with these conditions.

Mr. Bishop: When can I tell my constituents that FDA will act [accelerate approval of *eteplirsen* for the treatment of DMD]? What else does the FDA need to make a decision [on *eteplirsen*]?

Response: FDA is fully committed to making safe and effective drugs available for patients with DMD as soon as possible, and is actively engaged with drug companies developing new drugs for DMD. According to several recent press releases, Sarepta Therapeutics intends to file an NDA to the FDA by the end of 2014.

Regarding use of the accelerated approval pathway, as indicated in regulation[6] and in FDA's Draft Guidance for Industry, Expedited Programs for Serious Conditions--Drugs and Biologics,[7] drugs and biological products ("drugs") may be granted accelerated approval upon determination that a drug:

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[5] FDA, FDAVoice. Early communication: a key to reduced drug development and approval times. Available at: http://blogs.fda.gov/fdavoice/index.php/2013/02/early-communication-a-key-to-reduced-drug-development-and-approval-times/

[6] 21CFR 314.500, Subpart H – Accelerated Approval of New Drugs for Serious or Life-threatening Illnesses.

[7] Guidance for Industry, Expedited Programs for Serious Conditions—Drugs and Biologics. http://www.fda.gov/downloads/Drugs/GuidanceComplianceRegulatoryInformation/Guidances/UCM358301.pdf. 2013.

> "...is for a serious or life-threatening disease or condition... upon determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality (IMM), that is reasonably likely to predict an effect on IMM, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments."

A surrogate endpoint is a marker, such as a laboratory measure, that is believed to predict clinical benefit, but is not itself a measure of clinical benefit. The accelerated approval pathway is most often beneficial in settings in which the disease course is long, and an extended period of time is required to measure the intended clinical benefit of a drug.

As with other rare diseases, there are a number of challenges associated with drug development in DMD. The numbers of patients available for participation in clinical trials is small. The progression of the disease tends to be slow, and the pace of progression varies from patient to patient on the basis of age and other factors, many of which are not understood. It has been difficult to select a reliable method for evaluation of patients that would demonstrate the positive effects of a drug treatment and be applicable to all patients. Basic scientific gaps like these in understanding the disease and the reasons it affects different patients in different ways increase the challenges in identifying surrogate endpoints that are reasonably likely to predict clinical benefit. Although our understanding of the pathophysiology of the disease is improving, it is still incomplete. We are making progress towards understanding the role of biomarkers in assessing the state of the disease, but our knowledge is still evolving. Finally, DMD is a disease that predominantly affects children, a vulnerable population requiring special protections.[8]

Please know that FDA is continuing to work with sponsors to evaluate the possibility of using accelerated approval for new drugs for the treatment of DMD. FDA encourages sponsors considering a development program for accelerated approval to discuss their development program with the Agency. Ultimately, a final determination of whether a drug is eligible for accelerated approval will be made during the review of the marketing application.

It has come to my attention that many small and medium-sized grocery store chains and fast food establishments (such as pizza chains) have expressed concerns about FDA's Labeling Requirements for Restaurants, Similar Retail Food Establishments and Vending Machines Proposed Rule (FDA-2011-F-0172) which implements the menu labeling provisions of the Patient Protection and Affordable Care Act of 2010. These establishments claim that while FDA's initiatives to create a national nutrition standard and require retail food establishments to disclose nutrition information are good for public health, they argue that this "one size fits all" rule would be onerous and cost-prohibitive.[3]

Mr. Bishop: What is the status of this proposed rule?

Response: It is undergoing review within the Administration.

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[8] 21CFR 50.50-.56, subpart D—Additional safeguards for children in clinical investigations.

Mr. Bishop: What is FDA doing to balance public health and economic viability of retail food establishments, many of which are small businesses?

Response: In finalizing the rule, we are working to provide as much flexibility as possible while complying within the applicable statutory requirements

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[1]Question sent by email by dmdaction@gmail.com on March 19, 2014 on behalf of constituents Beth Baird and Paul and Kathryn Pease, who are both suffering from Duchenne Muscular Dystrophy (DMD)

[2]Based on communication sent to our office by representatives of restaurant and food chain establishments, i.e. American Pizza Community

WITNESSES

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